Shortage of Mortgage Funds Hits Home-Building

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

The Canadian Newspaper for Business Men and Investors

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The Nation's Business

"National" Radio Far from Perfect Scheme
No Need to Rush Into Public Ownership
What C. N. R. Costs Canada Yearly
Premier Bennett's Finance Plan

Bureaucracy Menaces Radio

RADIO broadcasting in Canada is ten years old. Under the leadership of newspapers, radio set manufacturers, railways and other bodies it has made very substantial progress. The progress is to be regarded as the more remarkable when the difficulties that have been faced are taken into consideration.

The first few years were simply experimental years when no one knew very much about radio programmes, their selection and management, their broadcasting and the type of apparatus suitable for their reception. After the first few years a second problem developed, the shortage of wave bands due to hogging of the air by the United States. Canada had an utterly inadequate group of exclusive or shared channels. And in recent years the whole industry has been in the clouds of uncertainty as to its future. There was a suggestion of government ownership and control. For various reasons of their own, ranging from the good and sufficient to the mere desire for a soft government job, many people have been conducting an assiduous propaganda in favor of the so-called "nationalization" of radio which was but a euphemism for public ownership and control on the lines of the Canadian Government Merchant Marine—Canada's White Elephant of the Seven Seas—or the Canadian National Railways—which gives Canadians whatever pride there is to be found in a highly efficient, nickel-plated railway that costs $99,000,000 a year to maintain.

* * *

FOR three years various bodies have been studying the radio problem and so long as they have been on the work the radio industry has been forced to refrain from making the capital expenditure and undertaking the plant programme expansion necessary to give Canadian radio listeners the highest type of broadcasting. Yet despite this uncertainty, despite the limitations in the channels, despite the very newness of radio, broadcasting in Canada has made notable progress, enough to indicate what it could do if given half a chance.

Now the deadening hand of bureaucracy is reaching out to strangle radio broadcasting in Canada. The politicians want to get hold of it. The job-hunters and the publicity-seekers have won a tactical victory. A parliamentary committee has recommended a publicly-owned radio corporation to operate a chain of large stations in Canada. A sop is thrown to private ownership to reward it for the millions it has invested in experimental work and to ward off charges of a bureaucratic monopoly. Stations up to 100 watts power will be allowed to stay in business, broadcasting their programmes to the furthermost limits of the parishes in which they are situated.

* * *

OTTAWA dispatches forecast legislation to implement the report of the parliamentary radio committee. Introducing legislation in order to bring the matter formally before parliament may be useful but any attempt to rush legislation through parliament in the few remaining days of the present session would be a scandalous breach of faith to the radio industry and the radio listening public, who have scarcely had a chance to make their views known.

The legislation, when it comes down, should not be introduced as a government bill which every loyal Conservative would be asked to support and every loyal Liberal would be expected to oppose. It should be a private bill on which members would be free to vote as they pleased and as their constituents asked.

* * *

ON THE day that the radio committee made its report, Prime Minister Bennett stood up in the House of Commons and said that non-interference with private business would be the policy of his government. The radio question provides Mr. Bennett with an excellent opportunity to implement this exceedingly sound and vigorous declaration and to indicate that it is not mere clap trap.

Canada has had plenty of opportunity to see what bureaucratic, political control does to a business enterprise. The country's experi-

(Continued on page 2, col. 3)

B.C. SALMON TO BE GRADED AFTER JUNE 1

Large Companies Expect Govt. Inspection to Aid Sales in England

RECIPROCITY URGED

Packers Will Buy British Tin and Nets if Salmon is Given Good Preference

British Columbia Packers and most of the larger companies engaged in the shipping and canning of salmon expect to benefit greatly in the United Kingdom and other foreign markets by reason of the regulations becoming effective on June 1, 1932, whereby all canned salmon will be inspected and graded by the Dominion Government.

Two grades are provided for and a Certificate of Inspection will be given for all "First Quality" salmon by the Chief Supervisor of Fisheries for British Columbia or one of his officers to the effect that a parcel of canned salmon was produced in British Columbia, was examined by the Dominion Government Board of Inspection, and was approved by it as being fresh, firm, well packed and as meeting the regulations of the Government.

The certificate of inspection is issued before the canned salmon passes from the control of the producer and before it is delivered to a buyer or agent for sale in either the Canadian or foreign market. Foreign shipments are inspected at the port of final shipment from the province.

Only "A" Certificates Given

The new regulations provide: that each day's pack shall be identified by code, marking the cans during the canning process so as to show the species of salmon contained therein and the date of canning; that each day's pack shall be cased and piled separately; that the same identification mark appear on the cases as is on the cans; that the application for inspection state the total number of cases of each mark packed; that railway cars loaded at such canneries and private warehouses be sealed before they are despatched; and that full information shall be given by the shipper or his representative as to shipments made from each inspected lot with particulars of number of cases, identification marks, car number, destination and name or names of consignee or consignees.

Canned salmon that is found by the Board of Inspection to be fresh, firm, well packed and in good merchantable condition will receive a certificate marked "A," while salmon that is found by the Board to be sound, wholesome and fit for human food, but below the requirements of "A," may be reconditioned and presented for re-examination. Any salmon that does not qualify for first quality position will have an additional end cover on which there shall be clearly embossed in letters at least three-sixteenths of an inch in height the words, "Second Quality." This new end is attached to the end of the can on which the word "Canada" is embossed. No Government Certificate shall be issued for "Second Quality" salmon.

Destroy Lower Qualities

Canned salmon that is found, after reconditioning and re-examination, not to be up to "Second Quality" shall be confiscated and

(Continued on page 2, col. 6)

Battle for Newsprint Tonnage Contracts Seen by Publishers

Montreal Power Earnings Larger

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consold. officially announces that surplus earnings for the January-March period 1932 is somewhat in excess of that for the same months in 1931 despite a larger distribution in the way of dividends on the capital stock. Sales of electricity and gas are lower this year, but economies in operation and savings in other directions, have enabled the management to report an increase in surplus.

Sales of the company's stock have been reasonably steady around 27¾, while the debentures have been traded in at 40. Customers who subscribed for the stock are expected to accept the company's offer of debentures when the last payment is made in June.

With No Change in Operations Open Fight Sure

ADVERTISING OFF

Publishers Look to Lower Paper Prices to Offset Sharp Decline in Revenue

From Our Own Correspondent

MONTREAL. — A battle for newsprint contracts at the expiration of current contracts is forecast by W. G. Chandler, chairman of the paper committee of the American Newspaper Publishers' Association, who says that if newsprint consumption continues at its present levels throughout 1932, there will be a battle for contracts regardless of control of major Canadian manufacturers through their banking connections.

The matter does not rest there for the American publishers—largest consumers of Canadian newsprint—are faced with a serious decline in advertising linage. It has been necessary for them to lower production costs and rigid economies have been put in force in all departments except paper buying. Here they are forced to buy newsprint at contract rates. The publishers look forward to the expiration of these contracts so that they can take advantage of the current situation and make very material savings in the cost of paper, which in the larger metropolitan dailies is the major item of expense.

Linage Off Sharply

During the past year 113 newspapers in 30 major United States cities carried 1,120 million agate lines of advertising. This was 115.6 million lines, or 9.4 per cent, less than in the preceding year, which in turn had been below that of 1929.

For the first three months of 1932 these identical papers carried an advertising linage of 240,731,439. This compares with 278,612,825 lines for the first quarter of 1931, a decrease of 37,881,386 lines or 13.6 per cent.

Complete details of advertising linage follow:

ADVERTISING
(Comparative Basis 113 Papers in 30 Major Cities)

	Agate Lines
1930	1,236,301,375
1931	1,120,632,087
Loss	115,669,288
	9.4%
	First Quarter
1931	278,612,825
1932	240,731,439
Loss	37,881,386
	13.6%

Lower Their Expenses

It is at once apparent that this substantial drop in advertising linage has seriously cut into revenue. To offset the decline in income economies have been made in mechanical, distribution and administration costs. But the savings have been insufficient to offset the loss in advertising revenue.

The principal item of expense in the large metropolitan daily is for newsprint. But no saving has been possible there up to date as contract prices are in force until at least next November.

Save on Paper

The publishers, however, have been able to cut down on their consumption of newsprint by lessening the ratio between advertising and editorial columns, but the savings in that direction are limited.

Last year the approximate consumption of newsprint in the United States was 3,247,622 tons. This compared with 3,575,074 tons in the previous year.

The trend of consumption is well illustrated by reports received by the American Newspaper Publishers' Association from some 434 newspapers, which, in the aggregate, consume about 80 per cent of the total.

During 1931 these papers reported a consumption of 2,818,808 tons and in 1930 2,617,676 tons, a drop of 201,132 tons or 7.1 per cent.

Consumption Lower

During the first quarter of 1932 these 434 papers reported newsprint consumption of 609,074 tons. This compares with 663,539 tons in the same quarter of 1931, a decrease of 8.2 per cent.

Particulars of consumption follow:

CONSUMPTION
(Report of 434 Papers)

	Tons
1531	2,617,676
1930	2,818,808
Decrease	201,132
	7.1%
	First Quarter
1932	609,074
1931	663,539
Decrease	54,465
	8.2%

Survey of Production

Bearing in mind that these 434 papers, consuming about 80 per cent of the total United States consumption, report a drop of 8 per cent in needs for the first quarter of 1932, it is well to examine the production figures for North America.

For the first three months of this year, in comparison with the same period of 1931, the total North American production was off 7.3 per cent. The American mills' output was lower by only 3.4 per cent, while Canadian plants reported a decrease of 9.2 per cent, indicating that the decline is out of line with the average and also with the trend of consumption reported by the 434 newspapers.

The changes which have taken

(Continued on page 5, col. 6)

BENNETT ASKS BROAD POWERS TO LOAN MONEY

Hints at Situations That May Need Government Support

From Our Own Correspondent

OTTAWA.—An eighteen word clause, inserted in the new Unemployment Relief bill, presently under debate in the House of Commons, empowers the Federal government to exercise functions similar to the United States National Credit Corporation and the Reconstruction Finance Corporation, and in fact to go much further in supporting private business than these corporations have any idea of going.

This corporation, with $500,000,000 placed at its disposal by the United States government, was formed to pump liquid cash into the financial institutions of the Republic where their assets were frozen.

Are the assets of some Canadian financial and other institutions in Canada so badly frozen as to require thawing out by Dominion cash assistance? Ought the Dominion to discount these frozen assets and thereby liquefy the position of these institutions? These are the questions raised by the new legislation. They remain unanswered even after Mr. Bennett's lengthy explanation.

Terms of Legislation

The Unemployment Relief Bill, in one brief subsection gives the Federal government sweeping powers to do anything that may seem wise in this regard. The section reads:—

"The governor-in-council may, on such terms and conditions as may be agreed upon, and notwithstanding the provisions of any statute or law:

"Loan or advance money to, or guarantee the payment of money by any public body, corporation or undertaking."

A few weeks ago when the reso-

(Continued on page 3, col. 1)

Ontario Power Service Is Getting Needed Funds

Arrangements Almost Completed Whereby Project Can be Brought to Completion by Oct. 1 When 85,000 H.P. Must be Delivered to Ontario Hydro

Ontario Power Service Corporation, the power subsidiary of Abitibi Power & Paper Corp., is believed to be on the point of completing negotiations with the Ontario Government which will assure sufficient funds to complete the power project at Abitibi Canyon. The company, working on funds secured from the $20,000,000 bond issue of two years ago, is right up to date on its schedule of operations which has as objective completing the project to the point where it can deliver 85,000 horsepower to the Ontario Hydro-Electric Commission at Sudbury and 175,000 horsepower to the company's own pulp and paper mill at Iroquois Falls on October 1, 1932.

From the beginning the project was spoken of as a $25,000,000 project and therefore it was evident that additional financing would have to take place either through direct provision of funds by Abitibi Power which owns the common stock or by the issue of debentures or preferred stock. In the minds of executives of the company the actual total cost was problematical in view of the fact that the total expense of carving such a huge undertaking out of the wilderness could not possibly be foreseen, but it was hoped to build it for $23,000,000. No unforeseen engineering difficulties of an abnormal character have occurred and the company's work to date has therefore been well within preliminary estimates.

The total cost of the work will probably be between $22,000,000 and $23,000,000, and therefore the amount necessary to complete the project may be almost $5,000,000.

Large bondholders, who have inside information as to the terms of the arrangement with the Ontario Government, express themselves as thoroughly in accord with what has been done. Some critics say that Hydro-Electric Commission has not a ready outlet for most of the power to be delivered at Sudbury in October, but the commission has constructed a large transmission line hundreds of miles across country from Hunta on the Canadian National Railway to Sudbury especially to receive and transport this power. Demand for power, it is argued on the other side, was increasing before the Abitibi project began and Hydro wants to provide against the probability that there will be sharp increases once more when prices of base metals improve and when the demand for newsprint advances to higher levels during the next period of business improvement.

The initial installation is for 275,000 horsepower but the maximum capacity is 375,000 horsepower. Until it is evident that the initial delivery will be well absorbed further expenditure will be delayed. The bonds carry an interest rate of 5½ per cent and sinking fund begins on July 1, 1935, with the object of retiring 40 per cent of the bonds by maturity in 1950. It is a closed mortgage.

BREAD WAR AREA WIDENS; END SEEN SOON

Expect Conference Will Settle Outbreak in Industry

MONTREAL IN BATTLE

Bakeries Sell Merchandise at Low Prices to Stimulate Local Sales

From Our Own Correspondent

MONTREAL.—It is generally expected that the bread war, waged in Toronto for the past few weeks and now rampant in Montreal, will be settled in the near future. No official statement has been made by the combatants but there is a general feeling among bakers that a conference will be called shortly at which an amicable solution of the present trouble will be sought.

It is only within the past week that the smouldering fire of competition burst into flames in Montreal. Now three large baking companies are offering china, roller skates, electric clocks and similar premiums at a moderate increase in the usual price for a strip of bread tickets. Though none of the articles is given away free, some bakers are fearful of what this policy of stimulating sales will lead to.

Old Form of Competition

Not for many years has such a situation existed in Montreal, one bakery official states, in commenting on the evils of the present situation. In this form of competition he sees ultimate disaster, for the forms of inducement to buy bread are likely to assume unlimited proportions unless checked in their infancy.

Some 15 years ago, it is stated, a similar condition arose but at that time bakers started by putting $5 gold pieces in loaves of bread. After a few weeks some one raised the ante to $10 and finally $20 in gold was being placed in a loaf for some fortunate purchaser. This final effort, however, defeated its own ends for the large gold piece could be detected by weighing the bread and the lucky loaf is said to have sometimes remained in the hands of the grocery clerk.

See Dangers Ahead

But the present method of offering merchandise at low prices with each strip of bread tickets offers a certain analogy and even if no loss is entailed through the bakeries jobbing china sets and so forth, the danger of bigger and more expensive premiums looms large. Bakery officials state that a situation such as the present one grows with cumulative speed and see a real danger unless some stability to bread sales is maintained.

Profit margin of baking companies is unquestionably small today, especially as regards those chains controlled by the flour milling companies. Competition already has actually increased costs rather than reduce them through the multitude of additional services which are offered by the modern bakery. These include high cost distribution, wrapping, salesmen's commissions and various other "frills" which have entered into costs in an effort to improve service and increase sales.

Chain Stores Cut Deep

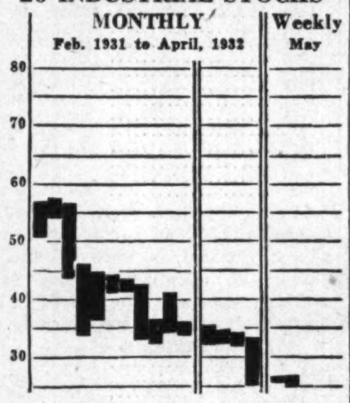
Chain store sales have also cut deeply into profits of big bakeries. In the past few years chain stores have reached backward into the manufacture of bread just as millers have reached forward through the formation of baking chains for the same purpose. But the chain stores have had this advantage: their distribution costs have been kept at a point which has enabled them to sell bread at abnormally low prices.

In Montreal the recent competition apparently is confined to one independent and two of the large chains, the latter being Canada Bread and Consolidated Bakeries. As yet there has been no intimation that Inter-City Baking Co., subsidiary of Lake of the Woods, has entered the arena. Canada Bread is controlled by Maple Leaf

(Continued on page 2, col. 6)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of May 10	26.4	24.9
Week of May 3	26.4	25.4
Month of May, 1931	47.2	36.0
8 Bank Stocks		
Week of May 10	200	200
Week of May 3	200	200
Month of May, 1931	243	218
10 Public Utilities		
Week of May 10	46	44
Week of May 3	46	44
Month of May, 1931	79	64

Highlights of the Week

Happenings That Make News for This Issue of The Financial Post

The Farm Crisis

In a series of articles the story of the agricultural depression will be told. This week's article, the first, tells of some previous crises and what caused them. Page 13.

Customer Ownership

An expert in selling stock to customers discusses the results to date. Page 11.

Rhodesia's Premier

He is coming to the Imperial Conference. Page 9.

National Radio

Summary of report of parliamentary committee. Page 10. Comment in "The Nation's Business." Page 1.

What C.N.R. Costs

The twelve year record of public ownership of railways in Canada in "The Nation's Business." Page 1.

Averting a Crisis

Prime Minister Bennett's plan to loan money to public companies in distress. Page 1. Comment in "The Nation's Business." Page 1.

Money for Mortgages

Shortage of mortgage funds one reason why home-building has not revived this spring. Page 1.

Ontario's Coal

Encouraging results in tests carried on in Europe on Ontario legitimate. Page 16.

Money for Mortgages to Help Building is Now At Low Ebb

Moratoria Legislation in Ontario and British Columbia Aids Distressed Home Owners to the Disadvantage of Lenders—Loans to Building Industry Therefore Dry Up

QUEBEC RESISTED SIMILAR DEMAND

High Rate on Government Issues Also Deflects Funds From First and Second Mortgages — Lower Rents and Realty Values Make Large Institutions Cautious —Private Investors' Money is Reappearing

No one important industry in Canada suffers more from the general low level of confidence as to current financial and business conditions than does the building industry. After the breaking of the post-war boom in 1920 and 1921, the activity of this industry was of the highest value in smoothing away the worst harshness of the depression and in leading business back to normal levels again. It becomes, therefore, a matter of great importance to consider what are the obstacles to recovery from the present impasse in which the industry finds itself as these have to be cleared away before it can be hoped once again to have this industry going full blast and causing a consequent activity throughout the business structure.

Probably the most unfavorable factor in the present situation is the fact that first mortgage money is not available from the usual sources, either for first mortgages on completed structures or for building loans to aid builders in anything like the volume which has been normal for the last decade.

Governments Compete

The largest volume of money to buy first mortgages has in the past come from insurance, trust and loan and mortgage companies, although there was as well an important flow of private money for this purpose. All of these institutions at the present moment and for many months back have been able to buy Dominion government and provincial government and municipal bonds at very high rates of interest. With the high level of security obtainable in this way, the large loan institutions for the time being stand back from the risk inherent in the lending of money for speculative building especially in a time when commodity prices have been dropping quickly and when there have been large adjustments to make in the business structure as to wages, salaries and incomes generally. Deposits and purchases of loan company debentures also fall off when investors get government bonds with a high return, and so loan and trust companies have less public money than usual to invest.

Policyholders Borrow

There is an additional factor in the case of the insurance companies which were the largest lenders on mortgages, in that in a time like this the demand for loans on policies reach a very high figure. Insurance companies have obligated themselves to lend money when required on such policies and as this is also one of its most remunerative avenues of investment, there is a great desire among executives to keep as high a degree of liquidity in their assets as possible to meet such demands. Naturally, also, those institutions which accept deposits from the general public feel the necessity of carrying high percentages of liquid assets in order to meet possible increases in withdrawals from time to time. There is, as well, a distinct slowing up of building loans owing to the fact that such companies, in a time like this, ask larger returns in interest than are usually the case.

Builders Use Own Funds

Building in the last decade has been greatly accelerated by the presence of considerable amounts of second mortgage money which, at greater rates of interest than those paid on first mortgages, have enabled builders to spread their resources over a larger number of buildings in course of erection than they are able to do at present. In the last two or three years real estate values have followed the course which has been followed by stock prices and by commodities generally. The drop of 30 per cent in many urban real estate values has resulted in many second mortgages being left standing up in the air and in some cases present prices do not even cover the principal of first mortgage money loaned in a time when confidence was at a very high point. Current loans of second mortgage money are at present available only at very high rates to make up for the general feeling of insecurity as to such loans. With second mortgage money to all intents and purposes really out of the picture, builders are obliged to confine their activity to fewer houses or other buildings in order that their available capital can cover all the operations necessary. The result is that when the structure is completed there is a smaller mortgage indebtedness against it and these new houses can be sold at lower prices as builders are anxious to get their money back to continue business and will accept lower profits. These favorable features in the situation rather refer to the long view than to the exact current situation. There is not observable a strong immediate demand for houses, office buildings or apartment building space, although there is some increase in the demand for manufacturing building space.

Legislation Scares Away Capital

George R. Griffin, manager of Mortgage Discount, Ltd., informed a representative of The Financial Post that in past depressions in Toronto building fell off whenever rents were low and it became very difficult to

(Continued on page 3, col. 3)

Unfair Insurance Tax To be Removed by Ottawa

Legislation to rescind the 15 per cent tax on the gross premium deposits paid by insurers in foreign companies not licensed by the federal government, is expected in the House of Commons this week.

Exact details of the change are not available but The Financial Post understands that in place of the 15 per cent tax, new tax based on the net cost of insurance to these insurers will be levied. The new tax will be not higher than 3 per cent and in all probability will be only 1 per cent which is the tax now levied on all other fire and casualty companies in Canada.

Insurers affected are those using the New England Factory Mutual companies and various United States reciprocals which are now doing business in Canada under provincial license. These companies are at present not licensed at Ottawa and in the Rhodes budget a few weeks ago provision was made to tax insurers using these concerns at the rate of 15 per cent on the gross premiums charged.

Claims Resolution Incorrect

In discussion of this point in the House of Commons last week, Prime Minister Bennett in reply to a query by Hon. W. D. Euler, explained that "in the transcription of the resolution the language used was not in accordance with the statement made in the house by the Minister of Finance." He then went on to say "They are being taxed without discrimination, the same as other licensed companies that come in as foreign companies."

The new legislation will be introduced as an amendment to the War Revenue Act and has no connection with the three new federal insurance statutes now on their way through the House of Commons.

N. ONTARIO BDG. INTEREST PAID IN CAN. FUNDS

No Notice Given Before Presentation of Coupons April 1

HOLDERS OBJECT

Action by Bondholders Difficult Due to Small Amount Involved in Payment

Payment of bond interest by Northern Ontario Building Ltd., on April 1, was made in Canadian funds only despite provision in the trust deed for payment "at the holders' option, in United States gold coin or its equivalent." Although the company has issued no statement of earnings, bondholders are convinced that earnings of the building are sufficient to meet the additional $3,000 or less which would have been necessary had payment been made in New York funds. It is also felt that the action taken may influence other building owners to seek to avoid payment of interest in United States funds where these are called for in the trust deed.

Located in the heart of Toronto's financial district, the Northern Ontario Building is generally regarded as being one of the best pieces of business realty in Canada. While rentals have been affected by current conditions, earnings are believed to have been maintained above the requirements of the 6½ per cent first mortgage bond issue of which $850,000 was sold in 1924 and 1925 by Royal Securities Corp., and R. A. Daly & Co. Since that time it is believed that over $105,000 of the bonds have been redeemed through action of the sinking fund, which is reported as kept up to date.

W. D. Ross, director of the company, states that while interest was earned in 1931 and percentage of occupancy is now between 80 and

(Continued on page 10, col. 6)

Eddy Match Unaffected By Kreuger

From Our Own Correspondent

MONTREAL. — Ivar Kreuger's virtual control of the world match industry extended to Canada and though the unpleasant disclosures of his dealings have adversely affected the companies with which he was associated, it is understood that the Canadian interest—Eddy Match Co.—is not involved.

Back in the last century Ezra Eddy established his match industry in Hull. In the intervening years his operations grew until they covered a wide line of pulp and wood products. All these activities became centred in the E. B. Eddy Co.

Complicated Set-up

A few years back it was decided to simplify the structure and the match business was sold to the British Match Co. This company, in turn is controlled by the International Match Co., in turn controlled by the Swedish Match Co., and again controlled by Kreuger and Toll. British Match Corp. was formed in 1927. A large block of its shares was held by Swedish Match and International Match, which Ivan Kreuger controlled.

The sale of the Eddy match business is understood to have been effected on a cash and stock basis, the E. B. Eddy Co. taking a large block of the preferred stock of the Eddy Match Co. It is further understood that the match company is in a strong, liquid position and while concerned in the outcome of the parent company's difficulties, is not directly affected.

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TAKE AN *Eatonia* ALONG

Summer week-end holidays approaching. Be ready to go somewhere. And take an Eatonia Club Bag with you. Big and roomy enough for your needs. Small enough to keep out of the way. Sturdy enough for a rough, tough journey. Made of top grain cowhide, leather lined. Black or Brown. Two sizes:—

18", $11.75

20", $12.50

Eatonia — Guaranteed Best Regular Value in Town

Basement—Main Store
Also obtainable at EATON'S—College Street.

THE T. EATON C°. LIMITED

Western Steel Status Surveyed by Magor

From Our Own Correspondent

MONTREAL. — Progress is being made in disentangling the affairs of Corporate Steel Products and its subsidiaries, in receivership, though no report has yet been officially issued. It is learned, however, that R. J. Magor, president of National Steel Car Corp., who had been retained by the National Trust Co. in the capacity of industrial expert, has returned to Montreal after some time in the west, studying production, cost, selling methods at the company's western plants.

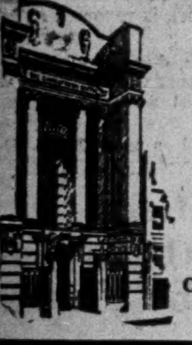
In addition to investigating the situation in the western provinces, Mr. Magor has surveyed the situation at Metallic Roofing Co., a Toronto subsidiary, and the George W. Reed Co., located in Montreal. When he has completed a thorough investigation of these two subsidiaries, he will present his report to the National Trust Co.

General Motors Cut Affects Income of C. I. L.

From Our Own Correspondent

MONTREAL.—Income of Canadian Industries Ltd. for 1932 is expected to reflect the cutting of dividend on the stock of General Motors, of which the company is understood to hold a substantial block. It will be recalled that in 1929 the annual report made reference to the fact that the company had sold some of its holdings in General Motors but still retained a substantial block.

When Travelling—



take your funds with you in convenient and readily convertible form. Secure a Letter-of-Credit at any branch of this Bank.

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Total Assets over $265,000,000

The General Accident Assurance Co. of Canada

Head Office: General Assurance Building, Toronto

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R. S. WALDIE, *1st Vice-President*
J. A. NORTHWAY, *2nd Vice-President*
THOS. H. HALL, *Managing Director*
W. A. BARRINGTON, *Manager.* G. J. MALCOLM, *Secretary*

Surplus, Revenue and Expenditure Account Dec. 31, 1931

REVENUE

Surplus, December 31, 1930	$1,144,367.61	
Less Dividend	33,750.00	
		$1,110,617.61
Premiums	$1,309,926.67	
Less Re-Insurance	132,804.95	
		1,177,121.72
Income from Investments and Building Revenue		94,154.28
Profit on Sale of Investments		1,528.37
Decrease in Reserve for Unearned Premiums		53,378.23
		$2,436,800.21

EXPENDTURE

Net Claims paid, Adjustment Expenses and Reserve for claims outstanding	$ 622,783.04
General expenses, including Advertising, Printing, Salaries, License Fees, Taxes, Commissions, Travelling Expenses, Directors' and Auditors' Fees, etc.	552,670.54
Balance December 31, 1931	1,261,346.63
	$2,436,800.21

Balance Sheet as at December 31, 1931

ASSETS

Investments at Book Value		$1,339,706.31
Fixed Assets:		
Land	$150,000.00	
Building and Equipment	658,772.25	
Furniture and Fixtures	65,215.13	
Maps and Plans	9,700.93	
Automobiles	13,835.17	
	$897,523.48	
Less Reserve for Depreciation	174,257.54	
		723,265.94
Cash in Banks and on Hand.		53,259.88
Balance due by Agents	$169,224.66	
Less Reserve for Doubtful Accounts	3,000.00	
		166,224.66
Due from other Insurance Companies		7,494.40
Proportion of Loss Claims Outstanding (estimated) Recoverable		19,689.38
Sundry Debtors		6,720.13
Accrued Interest and Dividends on Investments		18,333.24
Total		$2,334,693.94

LIABILITIES

Outstanding Loss Claims (estimated) including Contingentt Reserve, $93,300.00		$ 236,391.98
Taxes Accrued		31,550.67
Sundry Credtiors		12,715.93
Due to Associated and other Insurance Companies		44,421.94
Reserve for Unearned Premiums		588,266.79
Reserve for Investments.		25,000.00
Capital Stock:		
Authorized — 10,000 shares of $100.00 each	$1,000,000.00	
Issued — 5,400 shares of $100.00 each on which there has been called and paid		135,000.00
Surplus Account		1,261,346.63
Contingent Liabilities: Note Receivable under Discount with Bankers $800.00.		
Total		$2,334,693.94

Auditors' Report to the Shareholders

We have examined the books and accounts of The General Accident Assurance Company of Canada for the year ended December 31, 1931. The investments are shown at values which are not in excess of those authorized by the Superintendent of Insurance. We have to report that we have obtained all the information and explanation we have required, and, subject to the foregoing, in our opinion, the above Balance Sheet as at December 31, 1931, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Toronto, Ont., March 28, 1932.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants.

The management are pleased to present to their policyholders, and public in general, the above statement of their year's operations ending December 31, 1931. Notwithstanding the adverse business conditions so prevalent in all lines of endeavor, this statement represents a most encouraging report and ensures the utmost confidence in the company.

Local Agents in all Cities and Towns

The Nation's Business

(Continued from Page One)

ences with steamship lines, railways, and other business institutions run by governments, are in themselves sufficient to warn us off any similar venture in the field of radio. The whole system would be destined to sluggish failure and would defeat its object to truly "nationalize" radio for it would force Canadian listeners to listen to more and more American programmes to get the sort of entertainment and instruction that only competition can supply.

* * *

THE casual jest that the new national radio system would involve the country in no expenditure is included in the proposal. It would be financed out of a portion of the present license fees. These license fees now are a part of the revenue of the Dominion and go to reduce taxation in other directions. How they can be available for the ordinary operating expenses of government and at the same time be available to build up a national radio chain is beyond intelligent comprehension.

Canada may well consider this radio question soberly and slowly. The report of the committee is public property. Let the public study it and analyze it for the next few months. Radio can then be dealt with at the next session of parliament. Of course this means further uncertainty and further delay which will make early improvement of present conditions impossible. But the radio public will be satisfied to carry on for a while longer. Canada should not be rushed into radio bureaucracy without due consideration of all the implications.

* * *

What the C. N. R. Really Costs Us

INVESTIGATION by the railway committee of the House of Commons into the accounts of the Canadian National Railways has brought to light many important extravagances in the operation of that institution. Compared to the total expenditures of the railway the amounts mentioned are small.

For example: the Canadian National Railways provides its president with a house at a cost of about $15,000 a year. But in the meantime hundreds of thousands of dollars a year are being paid out in interest charges on the Montreal terminal sink-hole.

Or again: the Canadian National pays the club dues of many of its executive officers. But the Halifax and Vancouver hotel fiascos represent an out-of-pocket expense, in interest on capital charges that is vastly greater.

Sir Henry Thornton draws extra salaries from C. N. R. subsidiaries. But these extra salaries are not enough to account for the $99,000,000 deficit in 1931.

All together the extravagances that have been the object of so much probing only begin to suggest how $99,000,000 could be lost in a single year on the National lines.

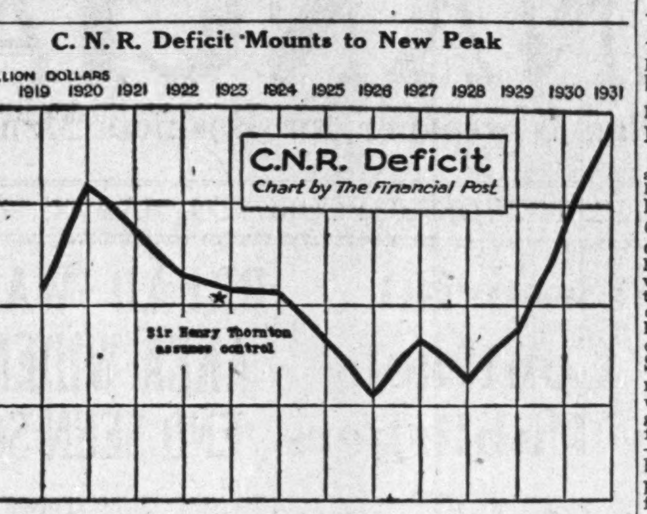
* * *

NOT that the investigation is to be regarded as useless and time-wasting; far from it. It gives to the public, in terms that the man on the street can understand, an idea of how the whole system has been run. Talk to the average man about $99,000,000 and you arouse his interest very little and his understanding not at all. But talk to him about a director of the C. N. R. putting through a house deal on which he stands a chance of making $50,000, more or less, and you have his interest.

To business men, however, the railway problem must be considered as more important than a matter of club dues, liquor bills, house rent and extra salaries, typical as these are.

It is essential that a correct perspective be kept on the Canadian National Railway situation and that a remedy of far-reaching magnitude be found, something that goes beyond any likely economies in ordinary operation. It is in the hope of providing an aid to this broader perspective that The Financial Post presents a picture of just what the Canadian National Railways has cost Canada in current losses—quite apart from capital expenditures—since the government went into the railway business on a large scale at the end of the war.

C. N. R. Deficit Mounts to New Peak



1931 was the most costly Canadian National Railways year for the Canadian taxpayer, this chart, based upon statistics in "The Nation's Business" column reveals.

* * *

HERE in one sentence is, perhaps the most important single fact regarding the Canadian National Railways.

The system cost the taxpayers of Canada in 1931 more than the annual interest charges on all war debt and all other debts of the Dominion of Canada contracted for any purpose other than railways.

Last year (to March, 31, 1932) the interest charges of the Dominion were $121,600,000. The interest charges on that portion of the debt contracted for C. N. R. purposes amounted to $32,600,000. Thus the net interest charges on all non-C. N. R. debts amounted to $89,000,000.

The loss on the C. N. R. last year, paid by the taxpayers of the Dominion, totalled $99,300,000.

Compare the burden of the C. N. R. on the taxpayer, with some other items in Dominion expenditure:

C. N. R. Loss	$99,000,000
Interest on non-C. N. R. debt	89,000,000
War pensions	48,500,000
Militia, defence, air	17,000,000
Old-age pensions	10,300,000
Dept. of agriculture	9,300,000
Parliament	2,800,000

* * *

THE railway problem has been a long time reaching the crisis stage. This is the first time that the publicly-owned railways of Canada have cost the country more than the interest on our war and all other non-railway debts.

The railway deficits have grown much more rapidly than we have been able to reduce our other expenditures. The comparative record is interesting. The first column shows the interest charges of the Dominion on its non-C. N. R. debt in each year since 1920. Beside it is placed the loss on the C. N. R. borne by the taxpayers, in each of the nearest years. The debt figures are for the years to March 31 and the railway figures for the years to December 31 immediately preceding.

	Non-C.N.R. interest charges year to Mar. 31	C.N.R. loss year to previous Dec. 31
1920	$ 97,900,000	$55,300,000
1921	125,300,010	80,500,000
1922	124,200,000	69,900,000
1923	113,000,000	57,900,000
1924	106,000,000	54,600,000
1925	108,500,000	54,500,000
1926	89,200,000	41,600,000
1927	97,600,000	28,600,000
1928	96,400,000	39,200,000
1929	93,000,000	33,400,000
1930	88,900,000	46,200,000
1931	88,600,000	73,800,000
1932	89,000,000	99,300,000

* * *

How Figures Are Arrived At

THE year 1931 was the most expensive Canadian National Railways year since the people of Canada took over the Canadian Northern and Grand Trunk lines and began to weld them into one unified system.

Canadian National Railways finances are a mystery even to the expert accountant. It is little wonder then that they are a mystery to politicians and the average business man. There are many "adjustments" in the C. N. R. accounts that make reconciliation of figures difficult if not impossible. Even the best analysis is apt to err. But for comparative purposes some chief figures may be set down.

Prior to the Thornton régime C. N. R. figures were not consolidated. But putting all available figures together, we find that the gross operating revenues of the constituent lines of the Canadian National system were, in 1931, scarcely $2,000,000 more than in 1919 and over $100,000,000 below 1928. This is in no small measure a cause of the railway problem.

Gross Operating Revenues

1919	$198,900,000
1920	236,700,000
1921	228,700,000
1922	234,100,000
1923	253,100,000
1924	235,600,000
1925	245,000,000
1926	253,400,000
1927	256,600,000
1928	304,600,000
1929	290,500,000
1930	251,000,000
1931	201,000,000

It cost anywhere from $213,000,000 to $250,000,000 to run the Canadian National in each of these years just counting railway operating expenses. The net operating revenues varied considerably.

Net Operating Revenues

1919	Deficit	$ 14,200,000
1920	"	34,500,000
1921	"	11,500,000
1922	Surplus	2,900,000
1923	"	20,400,000
1924	"	17,200,000
1925	"	32,300,000
1926	"	47,900,000
1927	"	42,100,000
1928	"	54,900,000
1929	"	41,900,000
1930	"	22,200,000
1931	"	1,200,000

* * *

THE next step is to determine how much there was available to pay interest on the debts of the railway. These debts are of two classes: debts due directly to the public and debts due to the Dominion government for advances and for Dominion-built railway lines included in the system.

The net operating revenues are not available for paying such interest because there must first of all be deducted taxes and some other items. The amounts available to pay interest are, however, easily determinable.

Amount Available to Pay Interest

1919	Deficit	$ 17,100,000
1920	"	35,100,000
1921	"	14,500,000
1922	Surplus	1,700,000
1923	"	13,500,000
1924	"	14,700,000
1925	"	30,400,000
1926	"	42,900,000
1927	"	38,300,000
1928	"	49,600,000
1929	"	37,300,000
1930	"	15,700,000
1931	Deficit	5,300,000

It will then be easy to figure out what was the net income deficit after payment of interest.

Deficit After Paying Interest to Public

1919	Deficit	$ 45,700,000
1920	"	66,200,000
1921	"	48,900,000
1922	"	33,000,000
1923	"	21,500,000
1924	"	23,700,000
1925	"	9,900,000
1926	Surplus	3,200,000
1927	Deficit	2,200,000
1928	Surplus	7,800,000
1929	Deficit	8,200,000
1930	"	35,600,000
1931	"	58,900,000

Income Deficit After Allowing for Interest to Government

1919	Deficit	$ 55,300,000
1920	"	80,500,000
1921	"	69,900,000
1922	"	57,900,000
1923	"	51,700,000
1924	"	54,900,000
1925	"	41,400,000
1926	"	29,900,000
1927	"	34,400,000
1928	"	24,700,000
1929	"	40,900,000
1930	"	68,300,000
1931	"	93,500,000

* * *

UNFORTUNATELY, this does not tell the whole story. In the Canadian National Railways accounts there are made each year many adjustments in the profit and loss account that are not shown in the so-called income statement from which the above figures are taken. These debits and credits are very much a part of the costs of the railway. It is the profit and loss account that tells the story. And so we arrive at what is the actual record of the amount by which the Dominion treasury has been depleted each year.

Profit and Loss Deficit After Adjustments

1919	Deficit	$ 55,300,000
1920	"	80,500,000
1921	"	69,900,000
1922	"	57,900,000
1923	"	54,600,000
1924	"	54,500,000
1925	"	41,600,000
1926	"	28,600,000
1927	"	39,200,000
1928	"	33,400,000
1929	"	46,200,000
1930	"	73,800,000
1931	"	99,300,000

It will be noted that for 1919-1922 the figures are the same as the income deficit shown above. This is because the C. N. R. did not publish a consolidated statement until 1923.

Also, it may be pointed out that the deficits on the Maritime lines, borne since 1927 directly by the Dominion treasury are included. But of course the contribution made by the Dominion to bonus a 20 per cent cut in Maritime province freight rates is not included. The C. P. R. shares equally in this.

It is believed that these figures, compiled in this manner, are here published for the first time.

They show that since the Dominion government went into the business of forging one railway out of the lines it took over, the government lines have cost the country $734,800,000 of known and visible losses in addition to deterioration in value there may have been on the $500,000,000 of new extensions and betterments in the same period.

* * *

"Saving" Companies Not Always Right

PRIME MINISTER BENNETT has asked from Parliament authority to come to the assistance of any public company in Canada if failure of such a company is likely to have a detrimental effect on the business or credit of Canada. The powers he asks are very wide and it is quite possible that in the midst of an emergency situation facing an individual company the government might easily take a mistaken view as to what constitutes the public good as opposed to private interests.

Certainly, the government has, without the new legislation, authority to take any extraordinary action that might be necessary in connection with a bank, a trust company or an insurance company.

Canada has become seriously involved in baffling and almost insurmountable financial problems through previous mistaken ideas as to the damage that might follow from permitting certain operations to go into receivership. Had the Canadian Northern Railway and the Grand Trunk Railway been permitted to go into receivership and be sold on the auction block or reorganized by the bondholders there need have been no railway problem in Canada today.

* * *

IN SUPPORT of this statement we quote for the benefit of the prime minister a statement made by a distinguished Canadian statesman in the House of Commons on May 15, 1916:

"I have never hesitated in my belief as to what should be done. I have listened to all the arguments that have been given and they have not changed my mind. In my opinion we ought to let both roads go into the hands of a receiver. That sounds very serious—I can only point out that eighty per cent of the railways of the United States have been in the hands of receivers; and one seventh of the railway mileage of the United States is now in the hands of receivers. I think the time is gone by when men of business and intelligence, sitting in this house should be frightened by the word "receivership"—all it means is that you put somebody in who takes charge of the property to conserve it and save it for the people whose money built it."

The eminent parliamentarian, whose advice, if taken, would have saved Canada probably a billion dollars was R. B. Bennett, of Calgary. It is to be hoped that Mr. Bennett will keep this before him for a studious re-reading whenever he is tempted to use the powers that the present legislation confers upon him.

Some companies are in a difficult position today because of over-expansion, over-capitalization, watering of stock, or extravagant management. The bankruptcy of any large company would upset the minds of investors and the general public but it cannot be denied that the whole country would be in better shape if some of the over-extended companies were permitted to go into receivership. The wide powers given the government should not be used to avert the type of receivership that is useful and that Mr. Bennett in 1916 recognized as useful.

B. C. SALMON TO BE GRADED AFTER JUNE 1

(Contnued from page 1)

destroyed, or may be used by the Department of Fisheries for purposes other than human food.

Inspection may be made by any one member of the Board of Inspection, but if he should find it to qualify only for "Second Quality" or below, a re-examination by the whole Board shall be made and this re-examination will be final.

Withdrawals from any parcel of canned salmon submitted for inspection provides for a minimum of 12 cases when parcels contain up to 100 cases; a minimum of 24 cases from 101 to 1,000 cases and a minimum of 48 cases when parcels contain from 1,001 to 5,000 cases and a minimum of 96 cases when parcels contain from 5,001 to 10,000 cases. One can from each such withdrawn case shall be opened and examined, but if the inspector is not satisfied as to the quality he may withdraw as many cases and open as many cans as he may deem necessary.

A fee at the rate of one cent per case of 48 one-pound cans, or the equivalent, shall be charged by the Board of Inspection for the inspection of each parcel of canned salmon. Where inspection is made or samples withdrawn at a cannery or prive warehouse of the producer, the producer shall also pay the actual travelling and living expenses incurred by an inspecting officer or his sampler in making the sampling or inspection, in addition to this fee.

Thirty days before canning begins the producer has to furnish a key to his code for each cannery each year.

By another Order in Council the following members were elected to the Board: Herbert Miskin, W. Page Powell and E. O. Cornish, of Vancouver, B.C., T. H. Rand, and A. S. Arkley, of Vancouver, were appointed to assist the board.

Hope For British Preference

From Our Own Correspondent

VANCOUVER.—British Columbia packers of salmon and other fish are prepared to place all their orders for tin and fish nets with British firms if in return they are accorded a satisfactory preference for their product in the Old Country market.

The packers desire a preference on the lower grades of salmon which are not now marketed in Britain.

Several years ago most of the tin and gear orders were placed by British Columbia firms with British manufacturers, but recently the tendency has been to buy these materials in the United States. If Britain can offer a market for their produce however, the packers will reciprocate by returning to their original policy of meeting their requirements in Britain.

Good results have followed the two-year operation of the Empire Preference Plan followed in the Canadian-Australian agreement, and B. C. fish products have recovered some of their former position in the Australian market. Similar results are expected from the agreement with New Zealand.

BREAD WAR AREA WIDENS END SEEN SOON

(Contnued from page 1)

Milling Co. and Consolidated Bakeries is a subsidiary of Ogilvie Flour Mills Co.

Expect Settlement Soon

What steps may be taken to curb the present outbreak in competitive selling have not been disclosed, but indications are that a round table conference will be called with a view to settling the matter. The past year has been a difficult one for baking companies though in some instances individual organizations were able to show an increase in profits.

In the year ended January 31, 1932, Inter-City Baking Co. reported earnings higher by $15,000 at $331,643 and share earnings of $6.79 against $6.02 in the previous year. Consolidated Bakeries also showed a gain with net earnings of $647,761 in 1931 compared with $531,435 in the previous year. Share earnings were $1.15 against 86 cents. Canada Bread Co. will not close its fiscal year until June 30; in the last period net earnings were off some $233,000 at $467,956.

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Triangle model, each 5.50.

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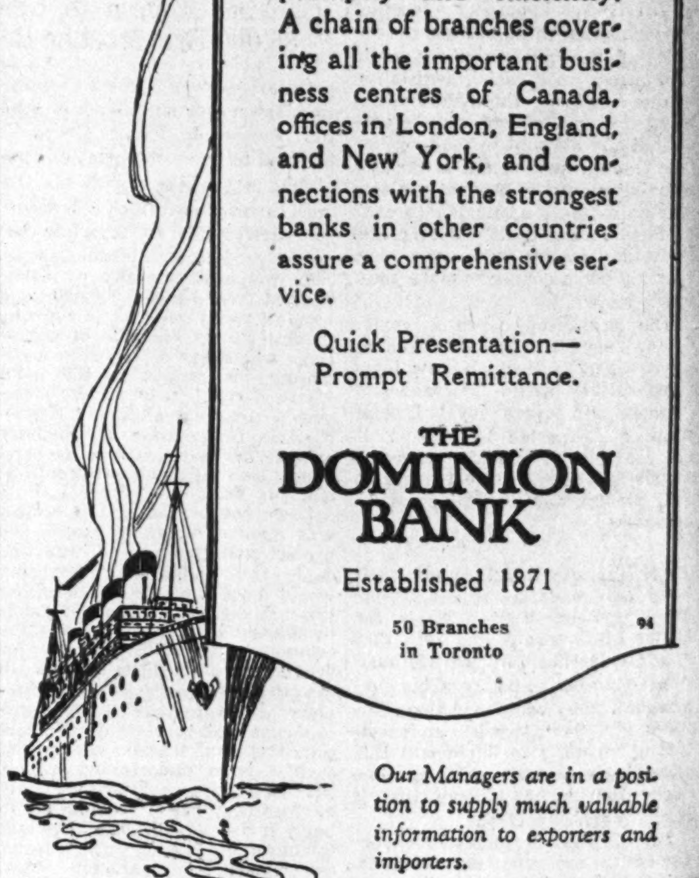

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BENNETT ASKS BROAD POWERS TO LOAN MONEY

(Contnued from page 1)

lution on Unemployment Relief was under discussion in the Commons, Mr. Bennett threw out a hint that powers of this kind might be taken. His words were carefully chosen and phrased and did not attract the attention they merited. Likewise when the bill revealed the precise nature of the powers to be given the government, the discussion in the Commons was not deemed, by the daily press, as important and far-reaching, as is the case.

In an interchange of views between Mr. Bennett and Hon. J. L. Ralston, financial critic of the Opposition, the viewpoints of both parties on the question of the relationship between government and business were stated succinctly. What was said, revealing as it does the use the government may make of this power, is of supreme importance to the financial and commercial institutions of the country.

To summarize, the position of the government is that governments should interfere as little as possible in business. But a situation may develop in Canada in the course of the present year which can be met only by government action: a crisis may arise that will demand the use of national credit to bolster one or other of our financial institutions or industries. The government does not intend to come into direct contact with business. But if intervention becomes inescapable, national aid will be given through the recognized channels of finance—probably by the banks.

Prime Minister Explains

Dealing with this clause of the bill, Mr. Bennett said:—

"This clause is intended to enable the government, instead of creating a corporation, all the capital stock of which it would hold, to make such advances to public enterprises or undertakings as may be necessary in the interests of the well-being of this country as a whole. Undoubtedly that is what is intended. There is no doubt that the provision is broad, but it is not so broad as what is now being done by the finance corporation in the United States. I was endeavoring to avoid the creation of an organization for the purpose of doing what the finance corporation is doing in the United States, relieving institutions of their difficulties in connection with frozen assets. Perhaps the house knows better than I do what would happen if we had such a corporation in this country; it would be asked to accept all the wildcat securities there were in Canada, and that I desire to avoid.

"Without going into any very great detail I think it is not unfair to say that I do not suppose there is one member who does not realize that a condition might arise—and some prophets of gloom say it will arise—in which it may be most desirable in the interests of this country as a whole that we should prevent attacks upon our credit such as would bring about the results we have seen in the United States, where in two years some four thousand banks failed and innumerable trust and deposit organizations were compelled to close their doors, with a reorganization possible only by regard being had to the provisions of the Finance Act. I was told what I believe to be the truth, that half a billion dollars will not be sufficient for the purpose but that much larger sums of money will be required. We have not inexhaustible sources of supply, and it is my conviction that this clause is preferable, in the interests of the country and the orderly conduct of its business, to the creation of a corporation with power to do what the finance corporation is doing in the United States.

"I can see how Mr. Ralston misunderstood earlier in the discussion. I was comparing what had been done in the United States with what we were endeavoring to do, and I suggested that the method we are adopting is preferable to the method which has been adopted in that country. In every case the public weal must be the determining factor, and the effect upon the national credit must be the matter that will influence any government in taking whatever action it may desire to take in the premises.

Beauharnois As Example

Mr. Ralston then asked: "The point I had in mind is whether or not the Prime Minister intends that this shall constitute a power whereby the government may guarantee or loan money to what we know as a private corporation, even though it may not be a private company as defined by the Companies Act. The Companies Act provides for private companies. I am not referring to those; I am speaking of large industrial private corporations doing business in this Dominion, which may not be financial institutions, or municipal institutions or public bodies. I am giving Beauharnois as an instance; does the Prime Minister intend that this act shall be sufficiently wide to enable him to assist an undertaking of that kind, or is it intended to apply only to undertakings such as financial institutions, whose credit he desires to preserve for the general benefit of the national credit?"

Mr. Bennett replied: "I confess that I would find it difficult to answer the question antecedently to the event. If a situation arose in this country in which I believed it desirable from a national standpoint to assist any public enterprise, which is defined as meaning an enterprise with more than thirty-five shareholders, I would not hesitate to recommend that this should be done. I say that very frankly. But the test must be the necessity of the case, and the necessity of the case must, in turn, be determined not only by the immediate effect upon the enterprise itself, which is not the primary consideration, but by the effect upon the country as a country. I need hardly say that there are contingencies that might arise in this country, if the prophets of gloom are correct, that have no relation to the resources or the strength of the enterprises or institutions inherently; but because of, shall I say, panic conditions in other parts of the world, the immediate effect might be so great as to render it desirable to bolster them up for the moment with the public credit of this country. That is the purpose of it, and I put it to this committee whether it is more desirable to create an institution, just as was done in the United States, in which we should have to find the money to enable it to function and name two or three men as board of governors to do it. It might be done in that way, and it is not improbable that we should find ourselves in a position of very great difficulty by reason of the facts to which I have just alluded.

Difficult Conditions Coming?

"I can only say frankly that I have given this phase of the matter much more thought and consideration than any other branch of the bill in consequence of what has been communicated to me by persons living outside of Canada who have endeavored, with some degree of success, to impress upon me the fact that we may be faced with extremely difficult conditions on this continent during the next few months. International transactions of a large character have been carried on by this country in the past and we are not living solely to ourselves; and it might be desirable, in the judgment of those whose opinion I respect, that we should have some power such as this. Because I have myself a strong desire to be in a position to protect the credit and the safety of the financial structure of the dominion and of the provinces, this power is sought. I am only giving my private opinion when I say that unless I felt that the effect upon the welfare of the country of any particular enterprise—being permitted to become insolvent or bankrupt—were apparent, I should hesitate to recommend that the power should be used. If, on the other hand, the evidence of that result were there, I do not think any government could hesitate at a time like this to ask for its use and to use it.

"I am afraid I cannot usefully give any more extended explanation except to say that in connection with Beauharnois I cannot recall that it has ever been suggested that the power should be invoked for that purpose. But if the necessity became sufficiently great the power would be employed for that purpose. I think it is only fair to answer the question that way, although that is not the purpose for which the power is put there. It is put there to meet a situation which I am bound to say one of my most valued colleagues strongly thinks could best be met by establishing a finance corporation. But my own conviction is very strong that it would not serve the purposes we have in mind at this time to create any such institution. I am afraid I have gone as far as I reasonably could without putting myself in a position where I might find it difficult to reconcile my statement with the necessity that might arise; and if the necessity arises I do not desire to be limited either by any antecedent promise or by any restriction of interpretation upon the power here conferred.

Careful Use Indicated

Later on Mr. Bennett resumed the discussion, as follows:

"I do not fear any camping upon the doorstep of the government by any enterprises, because the government has no intention that this power shall be utilized except under the circumstances that I have indicated. This power has been referred to on more occasions than one, but we have not yielded to such requests, nor have we any intention of doing so. I may say, however, that unless conditions were emergent, we should not have this bill before the house at all, and it will be borne in mind that when this afternoon we were discussing the nice division of power between the provinces and the dominion, their lordships of the privy council, speaking in connection with the regulation of paper prices, were good enough to say that there may exist in this country an emergency under which the powers of the provinces must be subordinated to, must be overborne by that of the dominion, for the national good.

"In this instance, subject to whatever limitations may be imposed upon an executive by reason of a sense of the gravity of a situation and the responsibility they owe to the people at large, I know of no other way in which, without creating an invitation for the government to undertake to liquefy vast volumes of securities that are now frozen—which action it has no desire or intention of taking—we can accomplish what we have in mind."

And again: "If anyone for a moment suggests that this power is being sought merely to provide a little more work or a little more responsibility, he is entirely mistaken. It is an effort, if possible, to avoid some responsibility and to lessen the demands that may be made. I am practically certain that as regards any corporation that might be created of which the government would be the sole shareholder, the demand would be far greater for political influence than if it were regulated by the known considerations that affect governments in connection with matters under the Bank Act, the Finance Act and others to which I might refer."

Government In Business

Mr. Ralston then defined the position of the Liberal party in regard to government and business:

"At most, a power of this kind should be exercised in conjunction with and through the financial institutions of this country, and it will be a sorry day for the government—and I do not mean this in any political or partisan sense—and a bad day for Canada when the government finds it necessary to go into business in connection with any of the multifarious activities of our people.

"It would be far better if the government limited this clause to guaranteeing or supplying money to the recognized financial institutions of this country and let them handle it as they are experts in that sort of thing. Some people think they are too expert; that they perhaps do not exercise the spirit of human kindness to the degree that borrowers would like, but we can be justly proud of our banking system and our banking institutions have stood up under a test which has been the admiration of those far beyond our own borders. My friend could do much worse than to limit this clause to a provision for advancing the money through our recognized financial institutions. Then let them use their discretion and the machinery and organization which they have, for the purpose of determining whether an industry is one which is worth while saving, whether its prospects are such as might justify an investment in or a loan to it, whether it is, in a national, not simply a commercial sense, one worth while assisting under this measure. I submit, with all due respect to him and his government and, in fact, to any government, this would be far better machinery for the purpose of exercising such power. My friend will say to me: Well, an emergency may arise. I say to him, with all deference, that before this government considers going into the power or the textile or the mining business or any other commercial activity, we had better have a special session of parliament in order to deal with the matter rather than have the government committing the country to the expenditure of large sums of money in commercial enterprises and creating precedents which we shall take a long time to live down. These are my views, and I hesitate even to express them in the light of my friend's business experience.

"May I say this further word, and I say it with all respect? I do feel that sometimes there is a tendency for men of large affairs when connected with government to feel, perhaps unconsciously, that they should have their finger on the commercial pulse. I submit that the business of government primarily is to take obstacles out of the way of industry and to assist general business as best they may by making conditions such that private enterprise can be allowed to be conducted and be prosperous under its own management. We can so easily get into the position where we have too much government in business. It may be good government, at least my friend and his supporters and a large part of the country may feel that it is, but nevertheless it is not a good principle, and I submit that business and government ought to be separated. There is plenty of room for the activities of the cabinet in taking obstacles out of the ways of industry and not interfering too much even though with benign intentions with the activities of men who know their own jobs and have been able to run them so far. I submit that my friend might well amend this section by confining it to assistance through financial institutions and recognized organizations which generally provide financial assistance to industries which are in need of capital and which are deserving."

Not Function of Government

Mr. Bennett, in reply, said this:

"Business is not the function of government. I have publicly and privately expressed that opinion so frequently that I suppose it is well known to everybody. I do not believe it is any duty of a government to conduct the business of this country, and where it was for an emergent condition in which the national interest is affected it would not be even considered or mentioned so far as I am concerned.

"With respect to what has just now been said as to the method by which it is proposed to give effect, if effect is given, to the authority thus conferred upon the executive, I think in the very nature of things it would be done through the institutions of the country. No one is expecting that John Smith's company is going to come up and ask for a loan and get it, and if that is what my friend is worrying about I can assure him that no one is going to deal with the matter in that way. My friend is now discussing another phase, namely the method by which it would be done. I fancy if some of my colleagues were to tell him exactly what my views are as expressed he would have no difficulty in learning, as naturally anyone with any experience at all would realize, that it would not be a proper exercise of power except in the most exceptional circumstances to undertake to make a loan to an enterprise as such, but one would through the constituted channels of business give effect to the provisions of the statute. When I say constituted channels of business I mean what he is referring to, the banks and various other financial institutions that have to deal with the question of finance and credits.

"I am not unmindful, in fact, I have too much knowledge of what he says as to the undesirability of governments trying to conduct business. I am having it brought home to me almost every day by the demands that are being made to meet the obligations which we have guaranteed of various enterprises simply because we found ourselves in business. Last week, for instance, it was the Montreal harbor commission in connection with the bridge; or it is the Quebec harbor commission; the Three Rivers harbor commission; the Chicoutimi harbor commission; the Halifax harbor commission; the St. John harbor commission. All these do not have their securities maturing on the same day, and the obligations are being constantly thrust upon us. There are others that might be mentioned. No one would think for a minute, if that is what he has in mind, that one would desire to add to his responsibilities, or that any member of the government desires to add to his responsibilities by endeavoring to conduct the business of other people whose special knowledge should enable them to conduct it better than anyone else could. But there are enterprises in this country that are as much a part of this country as the country itself.

"There are great enterprises in this country to which references have been made in this house during the last few months. No one could contemplate disaster overtaking some of them, as the gentleman himself said some evenings ago, without using every possible effort to prevent it. One does not know what may happen. I am not endeavoring in any sense to alarm this house, but I do know that every day one hears further tales of a situation that is not blamable to Canadians nor yet to a Canadian situation, but which obtains by reason of our relation to world business and world enterprise. I can assure him that so far as I am able to control it, I should not endeavor to utilize these powers by direct action between the enterprises themselves and the dominion except, for instance, in a case such as he has mentioned, in the case of the Beauharnois undertaking—I did not think of it until he mentioned it—where the canal is completed and provides for navigation facilities, and for the sake of continuing the enterprise we acquire the bonds or short term notes, whatever they might be, that represent the cost of the navigation undertaking. That would merely mean a temporary loan pending the financing of the organization in accordance with the terms of the order-in-council. That would not be in any sense an interference with business. That would mean the acquisition of securities that represented money spent for the building of a canal for navigation purposes. But as to the methods to be employed to accomplish that end I have not given any thought. No man who has had any experience in business in Canada under present conditions would think of endeavoring to have the government conduct business as such, but would look to the constituted organizations and institutions created by this parliament and otherwise for the purpose of dealing with these matters, feeling a sense of security in so doing and using entirely their own judgment in connection with the matter."

Bill Will Be Passed

In closing, Mr. Bennett said:—

"I agree with the member that the conduct of that business must rest with those who are specially trained and have had years of experience in the discharge of that kind of obligation and the transaction of that form of business. So far as possible I assure the member that is exactly what lies in the minds of the government, if the powers under this section have to be invoked."

The bill still remains uncompleted before the Commons, but there is no doubt that it will be enacted as it now stands, that the government will be clothed with the powers to which reference is made in these speeches.

Paper Shipments By Water Growing

From Our Own Correspondent

MONTREAL.—Total water shipments of newsprint paper from Eastern Canada this season may run up to 100,000 tons, according to an estimate prepared by one closely identified with the industry.

Water shipments of newsprint paper from Canada are becoming of increasing importance and are having a more marked influence on the statistical position of the industry, as water shipments cause greater ups and downs in stocks on hand than do rail shipments.

MONEY FOR MORTGAGES TO HELP BUILDING IS NOW AT LOW EBB

(Continued from page 1)

sell homes on any terms or get house mortgages. As soon, however, as the renting situation became acute and the terms on which new houses could be obtained became comparatively attractive, there came an increase in activity in building to fill the demand. When rents were comparatively low and houses consequently to a large extent unsaleable, it was only natural that providers of mortgage money would be careful about lending as none of them wanted to have houses come on their hands under such conditions. The Ontario Moratorium Act had also made it most difficult for second mortgage companies as it was impossible for them to get principal payments on many of their mortgages and second mortgages on which principal payments were not certain or probable could not be discounted for love or money. Finding themselves obliged to look after interest payments in first mortgages and tax payments in order to protect second mortgages in many cases where payments failed due to unemployment, dropping wages or salaries, second mortgage companies and second mortgage lenders generally were to a large extent out of the market. The Queen's Park Plaza decision as to priority of liens had stopped a great deal of building and mortgage-lenders had not gone back even though the law had been changed.

Shoe-String Builders Go

"One good result will come from all this," said Mr. Griffin. "Under these conditions the shoe-string builder will go out of the industry. It has been too easy for many of these builders without capital of their own to build houses all over the city entirely on borrowed money. That is not a good condition and if the industry is cleaned out of all but good, responsible builders it will in the end be all to the good for these. There has been too much speculative building and as a result too many essentially attractive building areas of the city spoiled for the types of development which would otherwise have been possible.

Old Builders Praised

"The modern jerry builder has in too many cases been scamping his work, using lumber that is not kiln-dried and doing quick but shoddy work on all too many houses. I can take you to houses 80 years old that are better today than many modern houses with all their latest conveniences. Those old houses were made by good workmen with a pride in their work and who used good materials that stand up as well today as when put in. A demand for better houses and better building values will be all to the good."

Good Mortgages Rank High

Because many buyers previous to 1930 bought houses with larger mortgage indebtedness than they have since been able to carry, there has come about an unmerited distrust of all mortgages. When mortgage money is loaned to people whose resources are ample to take care of them, first mortgages still rank among the best investments that can be made in Canada.

Legislation Curbs Money Flow

At present too many people regard with considerable apparent justification the mortgage as a frozen loan and this impression has been considerably strengthened by the Ontario moratorium legislation, relieving home-owners from the necessity of paying principal amounts until some future time when the Legislature feels business has improved to such an extent that they can be resumed. It is notable in this respect that the Quebec government refused to pass such a bill and this action has been upheld by the Montreal Real Estate Board which states that the temporary relief of certain borrowers now in difficulties would not make up for the great discouragement to investors in real estate mortgages, thereby curtailing normal construction and increasing unemployment. Considerable damage to the flow of funds for mortgages on building in Ontario was also done by the decision in the case of Queen's Park Plaza where the lien holders were given an advantage which tenders on mortgages never supposed they had. That was corrected by legislation at the last session of the Ontario Legislature but the flow of funds has not yet recommended, the damage done to confidence in this type of security not having been yet repaired.

Lowered Incomes Inspire Caution

Too many people also found themselves, after the depression began, with decreased incomes which made it difficult for them to maintain large payments of interest and principal on mortgages. Some of these buildings have, therefore, come back on the lending companies. Though the security of the mortgage is a very strong inducement to loans of this kind, lending companies are not anxious to have real estate on their hands. Such frozen loans are of no advantage to them. That situation with existing mortgages has made lenders cautious with regard to loans desired by those at present desiring to build or buy.

New Mortgage Plan Tried

Harold Timmins, Secretary of the Toronto Home Builders' Association, reported mortgage money to be easing up a little in the last few weeks. "Some of the companies are starting to lend again," he said. "It is on a limited scale, it is true, but they are lending. One of the large life insurance companies in particular has begun to lend money on what they call an amortization plan under which payments of interest and principal are due monthly, more or less on the plan of the English building societies. Builders have not taken very kindly to this form of lending because it is important to the builder to make an early sale of a property when it is completed and in the case of a speculatively built house, he does not desire a lot of early payments on principal which are apt to pile up on the builder.

"This plan has been used to quite a considerable extent by one of the large Canadian mortgage companies with respect to apartment houses and it seems to have worked out very well there. With regard to the mechanics' lien situation, it was beclouded to some extent by the decision in the case of Ingalls versus Queen's Park Plaza, Bloor St., but all the doubt with respect to security and priority of building mortgage loans has been dissipated by the new amendment to the Mechanics Lien Act brought down at the last meeting of the legislature. In addition certain other amendments were made to the Act which will have a very salutary effect and which, indeed, are already having a salutary affect upon the building industry.

Shaking Out Weak Builders

"It is now quite clear that the lending companies are perfectly satisfied upon the matter of title to make building loans as previously, but the fact remains that most of them have invested all the money they can in government bonds and the advices received from various lending and insurance companies is that they will not be in the market to make any real amount of first mortgage loans until the end of July in any event.

In the meantime, the building industry, as it affects home builders, seems to be going through a shaking out process in which the good builders are taking stock of their affairs as never before and the builders less financially sound are getting out of the business and dropping the apparent equities which they had in their properties.

Predicts Good Fall Lending

"There are still a large number of private investors who are making a few loans here and there and it only remains for the mortgage and insurance companies to recommence the lending of money before the private investors will be back in the loan field again. By the fall it is predicted that there will be plenty of loan money on hand for every reasonable house proposition that may be contemplated but it is perfectly certain that loans will not again be advanced on the lavish scale that existed before the slump came and that loan companies and insurance companies and private investors will once more get back to the basis of making their building loans strictly trustee investments within the meaning of the Trustee Act."

Moratorium Helpful to Owner

Asked as to the effect of the moratorium, Mr. Timmins gave a distinctly favorable response. He said, "The moratorium as to principal payments seems to have had a salutary effect upon the security of the home in that it has prevented action being taken against home owners who can at present barely manage to pay their taxes and interest on the mortgages. They are now protected from sales proceedings or foreclosure proceedings under the mortgages on their homes by virtue of the act. The fact is that the act was an absolute necessity at this time by reason of the fact that since last November or December there have been practically no mortgage moneys of any kind on the market and where a mortgage company previous to the passing of the act, called in a mortgage the owner of the property was left in an absolutely helpless condition because he could not place a loan to get a new mortgage. The situation was serious. At the present time and under present circumstances, if the owner can keep up taxes and interest on the mortgages, he has nothing to fear until times get better and the moratorium act is lifted which will not be for a year, at least, and possibly for two years.

Montreal Scouts Moratorium

In Montreal the Montreal Real Estate Board, after investigation of the needs in Quebec, of a moratorium, stated its belief that all of the large lending companies in that city had adopted a very tolerant and considerable attitude toward borrowers in respect to loans maturing and repayment against those loans. Its report added that loans were readily renewed or extended provided the taxes and interest were kept up to date and the mortgage properties were not allowed to fall into disrepair.

The special committee was composed of Harold Mills, chairman; A. Campeau, J. A. Sutherland, Fitz-James E. Browne and Ernest Pitt. A group of proprietors had asked for enactment by the Quebec Legislature of a law similar to Ontario's Mortgagor's and Purchasers' Relief Act, which granted proprietors a year's moratorium on payment of maturing mortgages, providing no default had been made in interest or tax payments.

Sheriffs' Sales Not High

The report read, in part, as follows: "Reports published in the press of an alarming increase in the number of foreclosures, are not confirmed in actual fact. Investigation of the number and value of sheriff's sales in the City of Montreal and suburban municipalities for the first three months of 1932 do not indicate any increase as compared with the same period of 1931. The figures are:

—1931—		
City wards	39	$137,054
Suburban	15	93,455
Total	54	$230,509
—1932—		
City wards	43	$209,932
Suburban	9	26,000
Total	52	$235,932

Puts Investor First

"Your committee feels that second mortgages and balances of payment would be very adversely affected by a moratorium. Usually these are held by private individuals and are payable in installments. Deferring these payments might prove a serious handicap to these private creditors and would discourage investment in this type of loan. Further, it would make it undesirable for an owner disposing of a property to leave any portion of his equity as a balance of payment."

In compiling the report, the document continued, the committee communicated with twenty-six of the leading insurance, trust and financial companies, all large lenders of money on first mortgages throughout the province, with a view to ascertaining the views of these companies toward a moratorium and their attitude with regard to principal payments falling due during 1932 upon mortgages held by them. Significant paragraphs from the letters of six of these companies follow:

Only 5 Foreclosures

One company says, "during the past three years this company has resorted to foreclosures in only 5 cases out of a total of 1400 loans. The credit of the Province of Quebec stands higher, particularly in New York, than that of any other province. This is partially due to the fact that Quebec alone of the Canadian provinces got through the difficult war period without any form of moratorium. We think that the maintenance of the credit of the province is of greater importance than the prevention of some few cases of hardship which may be suffered by borrowers on real estate through the actions of oppressive lenders. We think that in the interests of all lenders none of them should act with undue severity at this time, because if they do they will bring down upon themselves and the rest of us a moratorium which will damage us all."

Ready to Renew

A second company says: "In principle we are ready to renew all our loans when the securities are in a good state of repair provided that Municipal taxes and interest on the mortgages have been paid. As a regular rule, reductions on account of the principal are required only when the property has been neglected and has fallen into a bad state of repair. During the last two years, in the Province of Quebec, this company has foreclosed only 20 mortgages out of a total of 3,419 loans representing a value of $24,098,-889.88."

Will Aid Worthy Debtors

A third reply states, "All of our borrowers who pay us their interest promptly and who have kept their municipal taxes paid up to date, are assured in this time of economic depression of all the assistance required. On the other hand if these debtors do not meet their obligations as they come due, either to us or the city, and it appears that they are spending their revenue derived from their real estate regardless of whom they owe, we then offer to take over the property for administration ourselves, returning it to them when arrears of interest, taxes and repairs are brought up to date, plus the costs of our administration fees."

Rents Have Dropped

A fourth lending company comments, "We are surprised at some recent statements in the press that proprietors have been badly treated by their creditors. We have never heard of one single case in this respect and we have over $8,000,000 on loan as mortgage money. Mortgage contracts should be respected; there is not only the interest of the proprietors to be safeguarded, but that also of the lender who, in many cases is the administrator of a trust; the money lent is often the savings of people, savings effected monthly or annually for the protection of their families, but more than that, savings against sickness, old age, the widow and children."

"In many cases on our revenue producing properties, rents have taken a decided drop and as a result, in making revaluations of the properties for maturing mortgages, it has been necessary to write down our values. Notwithstanding the depreciated value of our security, of the loans falling due, with very few exceptions, we are agreeing to renew for a further period of five years at a rate not exceeding 6½ per cent."

B. C. Act Stops Building

Reports from British Columbia indicate that the mortgage market was much unsettled by the moratoria legislation introduced in British Columbia. Activities have been practically suspended so far as new business is concerned, and the result has been a slowing down in residential construction, an increase in unemployment and a curtailment of work for trucking and supply companies.

The worst effects are felt in the financing by agreement of sale of residential property. Usually the terms of an agreement of sale involve regular monthly payments but if the buyer professes inability to pay the principal involved in the agreement of sale, his monthly payments can be reduced to interest alone. This makes the discounting of such agreements of sale difficult and therefore vendors of houses are inhibited from further building until money from old properties can be obtained again.

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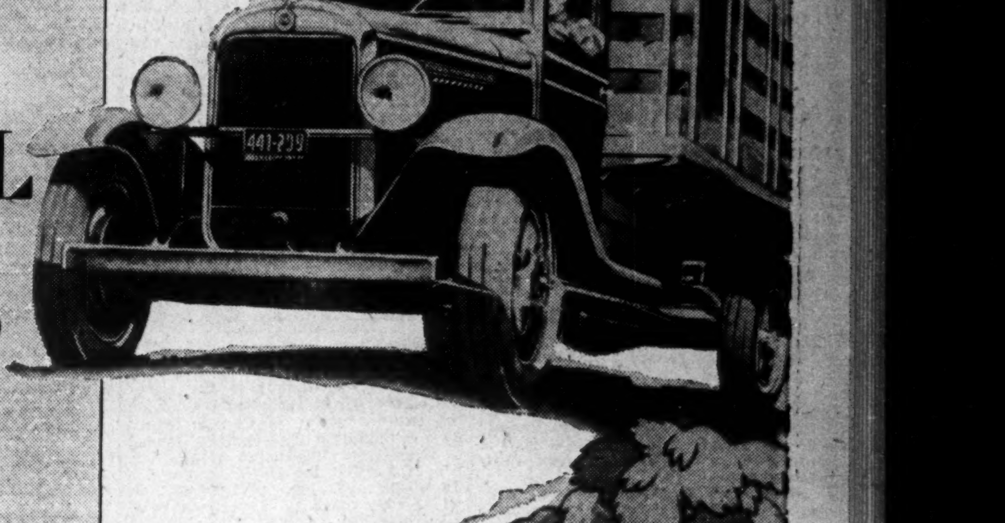

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CANADIAN PACIFIC OPERATING STATUS ON BETTER SCALE

Beatty Tells Shareholders of Steps Taken to Meet Situation

From Our Own Correspondent

MONTREAL.—Approval of an issue of $50,000,000 of debentures; election of a new director; investment in Consolidated Smelters; and improved operating efficiency, are highlights of the action taken and speeches made at the annual meeting of the Canadian Pacific Railway.

In addressing the shareholders E. W. Beatty, president and chairman of the company, laid stress upon the material increase in operating efficiency and further said that larger trains are now being hauled, the number of gross tons moved per train mile growing from 1,264 in 1919 to 1,407 in 1931, an increase of 11.3 per cent. There has been a sustained saving in fuel from year to year; in 1919 the fuel consumption per 1,000 gross ton miles was 153 pounds while in 1931 it was 114 pounds, a saving of 25.5 per cent. In addition, the average speed of freight trains has steadily increased, and overtime and delays have been reduced. Train crew overtime per 1,000 freight train miles has been reduced from 17.3 hours in 1919 to 4.3 hours in 1931.

Lower Direct Costs

Principally on account of this increased efficiency, the direct freight train cost consisting of enginemen's and trainmen's wages and miscellaneous train supplies, which in 1919 was 74.6 cents for hauling 1,000 gross tons one mile, and which had increased in 1920 to a high figure of 91.2 cents was reduced in 1931 to 54.7, a decrease of 27 per cent from 1919 and 40 per cent from 1920. The total savings effected cannot readily be reduced to exact figures as they run through all the operating accounts.

Notwithstanding the stringent economies effected during the last two years, equipment is still being maintained at a high standard. At the end of 1931, 93 per cent of freight cars were in serviceable condition, as compared with the average of 91 per cent for Class 1 Roads in the United States; and 85 per cent of locomotives were in serviceable condition, as compared with 78 per cent for Class 1 Roads in the United States.

Returns From "Smelters"

Reference was made by Mr. Beatty to the company's investments in Consolidated Mining and Smelting Co. of Canada, which at the end of 1931 was represented by 291,034 shares of capital stock or 51.64 per cent of the shares outstanding.

The total cost of investment in the Consolidated Company was $15,228,394, and the total cash received on the investment as interest and dividends to the end of 1931 was $21,215,612, and in addition that company contributed by way of freight earnings during the last ten years an average of over $3,400,000 per year. The industry is the largest in British Columbia and its prosperity is a matter of vital importance to that province, particularly the southern portion. Investment in the Consolidated Company has been most fortunate, and has had valuable direct, and indirect consequences to the company's operations. A moderate strengthening in metal prices will restore the earning power of the Consolidated Company, and its manufacture of fertilizer promises to be a definite success.

Meet New Competition

In discussing new forms of competition, Mr. Beatty told the shareholders that the subject is receiving serious consideration of both the Canadian Pacific Railway and the Canadian National Railways.

Canada is developing and improving its waterways, he said, making them available for larger tonnage at no cost to those that use them, thus permitting transport of goods at a cost below that which railways must charge. Private and public automobiles, buses and trucks operating on public highways are increasingly withdrawing traffic from the railways. Speedy transport is also taking place in the air. Wireless communication is rapidly coming into competition with telegraphs. Canada in the past has been peculiarly dependent on steam railways for opening its territory and providing proper communication and transportation facilities between the industrial East and the agricultural West. Obviously their future development and use must have regard to these new conditions. The whole subject is now being considered by the Royal Commission on Transportation, whose report will be awaited with interest.

Capital Outlay Lower

The anticipated capital expenditure of the company of approximately $4,000,000 is considerably less than in other years and was approved of by the shareholders.

A number of other resolutions were approved, including the agreement whereby the company will continue to use the passenger station and passenger facilities of the Canadian National Railways at Saint John. The C. P. R. will pay one-half of the interest charge on capital account and a wheelage proportion of maintenance and operation expense.

The agreement with the Canadian National Railways providing for cooperation on the part of the C. N. R. with the C. P. R. and the C. P. Steamships was also approved, likewise the resolution authorizing the directors to issue from time to time up to $50,000,000 of consolidated debenture stock.

Approve 1932 Board

The retiring directors were reelected, while J. W. Hobbs, of Toronto, was added to the board.

At a subsequent meeting of the board, Mr. Beatty was re-elected president, Grant Hall, vice-president, and the same executive committee elected, namely, E. W. Beatty, Hon. Frederick L. Beique, K.C., Sir Charles Gordon, Grant Hall, Sir Herbert S. Holt and W. N. Tilley, K.C.

N. B. Power Board To Extend System

From Our Own Correspondent

MONTREAL.—Further extension of the field served by the New Brunswick Power Commission's Grand Lake plant is seen in the announcement that construction of an additional 36 miles of transmission lines will be started shortly, to supply further localities with electrical service.

The Grand Lake unit was completed late last year and marked an important step in the activities of the New Brunswick Electric Power Commission. The modern steam electric unit located near the Minto coal field in the centre of the province was built with two purposes in view: to supply an increasing demand for power, and to provide an outlet for products of the local coal fields.

A sixty-five mile transmission line links the plant to Moncton, and power there is tied in with the present production from the commission's hydro development on the Musquash River.

SIN-MAC LINES REORGANIZATION NOT IMMEDIATE

Want to Establish Earning Power Before Plan Decided On

From Our Own Correspondent

MONTREAL. — Operations of Sin-Mac Lines Ltd. are being carried on by the bondholders committee and no plan of reorganization will be considered until it is possible to obtain a clear-cut idea of the company's earning power under present conditions.

Affairs of the company are a little better this year, four wrecks having taken place at the opening of navigation and these have provided a fair amount of work. Operations at this time last year were very quiet and immediate prospects hold out hope of developing a better earning power this year.

The financial position of Sin-Mac has not undergone any marked change. There are no bank loans outstanding and it is said that the company has funds in the treasury for current operations.

Merger of 1928

Sin-Mac came into being in 1928 as a merger of a number of towing, wrecking, lightering and salvage companies operating on the Great Lakes and the St. Lawrence River. Income in 1929 was sufficient to cover all prior charges and the payment of a dividend on the preferred stock. There was a sharp drop in earnings for the following year and it was necessary to pass the preferred dividend on July 1.

The balance sheet at the end of 1930 showed a weak position, with bank loans and overdraft totalling $81,312. Net working capital amounted to only $89,101—current assets consisting largely of accounts and bills receivable.

No financial statement has been issued for 1931, but interim reports indicated that earning power had not undergone any marked improvement. This situation was reflected in the passing of bond interest on October 1 last. Following this action a bondholders' protective committee was formed.

Silver Fox Most Popular

The fur most in demand among the women of Canada is the silver fox, according to the latest report on the fur production of Canada issued by the Canadian Government Bureau of Statistics. The value of the raw fur production for the season ended June 30, 1931, was $11,604,407, of which the value of silver fox pelts accounted for $3,216,217.

BELL TELEPHONE PLANS NO CHANGE EMPLOYEE PLAN

President Sise Answers Enquiries of Company Workers

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada has no present intention of changing the price at which stock is offered to employees, namely $115 a share, according to C. F. Sise, president of the company, who has circularized employee subscribers with a letter. He points out that employees' interest in this savings plan is not prejudiced by the stabilized price; that the right of withdrawal permits the employee to use his own judgment and this privilege renders any change in the plan or the price unnecessary.

Because of the present low market price of the stock there have been many enquiries from employees having current subscriptions as to what action they should take in their own interest as to continuing or discontinuing installment purchase. Mr. Sise makes it clear in his letter that the decision is entirely up to the employee. In any event he gets 6 per cent on his deposits even if he withdraws his money before he has paid up the amount subscribed for.

Primarily a Thrift Plan

The letter continues in part:

"The Employees' Stock Plan is primarily a thrift plan by which employees are encouraged to save money by monthly deductions from pay, with the right to withdraw at any time with 6 per cent interest on the amount paid in. Should the employee allow these deposits to accumulate for the thirty-five month period necessary to purchase stock with the proceeds, interest at 7 per cent is credited if the deposits are not withdrawn and Bell Telephone stock is delivered.

"In the employees' interest, the plan has a double purpose: first the encouragement of saving, and, second, the building up of an estate and income to supplement current earnings or pension.

"Every employee has the right to withdraw his deposits at any time, in the same manner as if they had been placed in a savings bank. It is to the advantage of the employee to continue to allow deductions from pay until the time arrives for the final deduction to complete purchase of the shares subscribed for. If in the final month of deduction the market quotation for Bell Telephone stock is below $113 a share, which is the difference between $115 and the loss of 1% interest for thirty-five months, plus broker's commission, it is obviously to the employee's advantage to cancel his subscription, receive a refund cheque from the company, and apply the proceeds to the purchase of shares through his bank or a stock broker who is a member of the Montreal or Toronto stock exchanges, on which the stock is listed. The dividends on stock purchased through a bank or a broker, cannot, of course be applied to the purchase of additional stock by assignment of dividends.

"Quoting from my letter of July 2, 1930, on the Employees' Stock Plan: 'No employee is under any obligation to purchase stock either by deductions from wages or investment of dividends. The present standing and future prospects of any employee will not be affected in the least degree by his decision as to the purchase of stock.'

"Any employee withdrawing his accumulated savings under the plan at this or any time, may, under the conditions of the plan, apply forthwith for a new subscription for stock."

Has Proved Popular

The employees stock plan has proven popular. As at December 31, 1931, of 12,832 employees eligible to subscribe to shares of the company, 10,200 were subscribing for a total of 43,878 shares.

Public Utility Earnings

Mexico Tramways, Light & Power Group

March:	1932 Pesos	1931 Pesos	Decr. Pesos
Mexico Tramways & Subsidiaries			
Gross earn.	736,550	804,330	67,780
Oper. & depr. exp.	911,760	890,510	†21,250
Net earn.	*175,210	*86,180	89,030
Aggre. gross from Jan. 1	2,165,890	2,269,230	103,340
Aggre. net from Jan. 1	*454,660	*325,370	129,290
Mexican L. & P. Co. & Subsidiaries:			
Gross earn.	2,110,020	2,027,480	†82,540
Oper. & depr exp.	1,325,230	1,104,860	†220,370
Net earn.	784,790	922,620	137,830
Aggre. gross from Jan. 1	6,427,410	6,281,210	†146,200
Aggre. net from Jan. 1	2,569,280	3,065,020	495,740

*Deficit. †Increase.

Heavy increases in taxation have been imposed under recent legislation in Mexico, seriously affecting the earnings of the companies.

Can. Western Natural Gas

	1931 $	1932 $	Increase $
January	262,102	296,751	34,649
February	226,842	308,591	81,749
Aggre. from 1st Jan. to 29th Feb.	488,944	605,342	116,398

CENTRAL STATION OUTPUT HOLDS UP FOR MARCH LAST

Sharp Decline in Ontario Pulls Down Average for Industry

From Our Own Correspondent

MONTREAL. — Central electric stations in Canada reported a moderate decline in production for March, 1932, as compared with the same month a year ago, according to returns compiled by the Dominion Bureau of Statistics.

Output for the month amounted to 1,402,656 thousands of kw.h., bringing cumulative production for the first quarter of the current year up to 4,150,755 thousand of kw.h. This compares with the March, 1931, production of 1,417,558 thousand of kw.h. and 4,245,266 thousands of kw.h. for the initial quarter of 1931.

Ontario Reports Low

The March return indicates an increase in output by stations located in the Maritime Provinces, Quebec, the Prairie Provinces and British Columbia. Operations of the Ontario stations continue on a lower scale—a feature of the bureau's reports for some months past.

Particulars of production by areas in March, 1932, and 1931 follow:

Generated by Water Power (000's Kilowatt Hours)

March:	1932	1931
Maritimes	44,292	34,338
Quebec	722,215	703,708
Ontario	396,200	451,912
Prairies	110,942	95,991
British Columbia	101,244	106,033

Water Power Output

The amount of electrical energy generated by water power for the first quarter of 1932 shows a larger output for all areas except Ontario. That province reported a decline in production from 1,343,563 to 1,130,364 thousands of kw.h.

Production of electrical energy generated by water power by areas follows:

Generated by Water Power (000's Kilowatt Hours)

January-March:	1932	1931
Maritimes	139,874	109,829
Quebec	2,126,617	2,113,653
Ontario	1,130,364	1,343,563
Prairies	356,291	288,571
British Columbia	306,184	303,828

Fuel Output Holds

Electric energy generated by fuel in central electric stations during March, 1932, amounted to 27,763 thousands of kw.h., compared to 25,576 thousands of kw.h. for the same month a year ago. There was a small decline in production by the Prairie Province stations, but those located in other provinces reported an increase.

For the first quarter of this year energy generated by fuel totalled 91,425 thousands of kw.h., a slight decline from that reported for the corresponding quarter last year.

Particulars of output generated by fuel follow:

Generated by Fuel (000's Kilowatt Hours)

March:	1932	1931
Prairies	15,410	15,992
Others	12,353	9,584
Total	27,763	25,576
Total	27,763	25,576
First Quarter:		
Prairies	53,917	59,987
Others	37,508	32,410
Total	91,425	92,397

Exports Off Sharply

One of the principal contributory causes to the decline in production this year has been the falling off in exports of electrical energy. In March, 1931, exports totalled 127,940 thousands of kw.h. and for the same month this year, 55,412 thousands of kw.h.

Comparative figures on exports follow:

(000's Kilowatt Hours)

	1932	1931
March	55,412	127,940

First Quarter:
1932 ...... 169,603 1931 435,844

JAMAICA SERVICE OUTLOOK REVIEWED

Russell Bell, President, Sees Brighter Prospects on Island

From Our Own Correspondent

MONTREAL.—Earnings of Jamaica Public Service in the first two months of the current year do not offer a fair comparison with the same period last year since special profits fell in with the figures in the 1931 month, according to Russell D. Bell, president of the company, speaking before the annual meeting of shareholders. In the first two months of 1932, gross earnings were $141,952 a decrease of some $13,000 from the same period in the previous year.

Though faced with a degree of depression, Jamaica holds brighter prospects at the present time, he continued. The main product of the island, bananas, is moving in better volume and the imperial tariff of 10 per cent gives Jamaica a practically free hand in the British market.

Regulate Bus Transport

Regarding competition from buses, it was pointed out that the Government was now regulating the bus transport, which had been a serious factor in the earnings of the tramways system last year. Transportation earnings in 1931 were $309,800 compared with $351,351 in the previous year.

The annual report, which showed earnings equal to $1.81 a share on the common stock against dividend requirements of $1 a share, was adopted and the directorate was reelected without change.

Quebec Power Tramway Receipts Show Decline

From Our Own Correspondent

MONTREAL.—Tramway receipts of Quebec Railway, Light Heat and Power Co., subsidiary of Quebec Power Co., in the first quarter of 1932 were $232,393, a decline of $10,809 from the corresponding period of 1931.

This decrease is not unexpected since shareholders were recently advised that revenue of the tramways system was unsatisfactory. This, and other causes, were expected to reduce the company's earnings in 1932. In April the dividend was placed on an annual basis of $1.50 comparing with a former rate of $2 a year.

Canadian Vickers Launches New Derrick Vessel

From Our Own Correspondent

MONTREAL. — Canadian Vickers has launched the derrick ship, Foundation Scarboro, which has been under construction in the Vickers yards for some months. The vessel is reported to be the largest of its kind in the country and will be used on a special contract in Toronto by the Foundation Co. of Canada.

Primarily, the derrick ship will be used for handling sections of 8-foot steel and concrete pipe to be placed in position in Lake Ontario for the intake of a new waterworks system. Each section weighs 250 tons but the lifting capacity of the vessel will be 300 tons.

In the Mail

Chemical Research

Editor, The Financial Post:

I have read with a great deal of interest your article on "Chemical Research." As you say, the report said nothing. I also wrote to the company, and their reply was very vague. The Canadian stockholders are holding the bag. An investigation at once is necessary.

H. A. SAUNDERS.

Port Arthur,
April 15, 1932.

New Immigrants

Editor, The Financial Post:

I enjoy your first column "The Nation's Business."

Is it a fact that there are still foreign immigrants, especially Russians, being admitted into this country? A girl in our store yesterday could not speak a word of English and her friend said she had just arrived with one hundred others.

We certainly cannot feed gratuitously the foreigners we have here at present. With the hope that you will continue to show up how we are kidding ourselves.

B. C. BINNING.

Calgary, Can., May 2, 1932.

Proposes Export Body

Editor, The Financial Post:

May I take the liberty through your valued paper to draw the attention of Canadian exporters to the fact that, although we read every day about the urge to expand Canadian export, no steps have up till now been taken to organize such an activity.

There is no individual effort which can bring as good results as a combined action, and to this end I would propose that all the Canadian exporters would get together and form a Canadian Export Association, just as they exist in most of the European countries. The members of these associations pay a small annual member fee for which they in return get all the information they require about a certain country. Furthermore, the associations have a monthly review which gives all the most important business news from various countries and also through reciprocity with other like associations enables the exporter within a short time to get reliable and active representatives for their goods in foreign countries.

Furthermore, through having such an association the individual exporter would be able to make propaganda for his goods at a much lower and more effective cost, than the case is at present.

Seeing that no doubt we are on the last lap of the world-wide depression, this would be the time to form such an association, which could do the preliminary missionary work for the exporter, so that when the business starts to pick up again, the Canadian exporter will be ready to step into the world markets with full swing.

"KK"

Montreal,
April 18, 1932.

Canada Coming Back

Editor, The Financial Post:

It is in the darkest days of any slump, that the tide turns. That is the time that old and experienced world investors make their big purchases. If holders of stocks and securities would only cease selling, a buying campaign, on a very large scale would begin in a steadfast manner and would have a wonderful effect in restoring confidence in business and finance through the world.

Never in the history of Canada, have stocks of merchandise been lower than they are today, and with the factories all running again the purchasing power of workers would soon make for steady employment and much work for the unemployed. If Canadians will follow England from now on, in economy and readjustment of their affairs and in reducing taxes, we would meet with even greater results than might seem possible at this time. We have been working in the face of great obstacles in trade and commerce and government railway losses.

On a sound business basis, Canada cannot help going forward and is bound to attract much new capital in the near future to develop her immense natural resources which will come into play with an increased demand for our products in new world trade now being launched.

Everyone can help to bring back better times, by buying Canadian products, where possible, and the women of Canada are to be commended for their able support of this loyal movement in times like the present. Next, buy British, if we are to expect Britain to buy from us.

Conditions are looking better in Canada, and we can all assist for better times if each one will do his bit to put down depression, both in word and deed, by going to war.

Stocks and bonds are just as much too low now as they were too high in 1929, and those who continue to sell Canada short are sure to have a rude awakening on the wrong side of the market one of these days.

Why take the big chance when one can buy the better stocks and bonds at bargains that yield 10 to 12 per cent?

PRUDENCE.

St. Thomas, Ont.
April 16, 1932.

Economic Re-construction

Editor, The Financial Post:

In a recent issue of your paper under the heading, "The Nation's Business," I note that you took occasion to comment on the suggestion of Dr. Chas. W. Gordon, relating to ways and means of overcoming the present world-wide economic depression.

It would appear to me that your suggestion, that the churches get busy and remedy, as far as in their power, the world-wide moral conditions which obtain at the present time and which are apparent, to many thoughtful minds, as the basic cause of the depression, is a genuinely sound suggestion.

It does appear somewhat strange that it should be business men, economists and scientists, etc., that have to make the primary move in this regard, when it undoubtedly is the duty of the churches so to do.

However, instead of the ministers of the Gospel applying themselves to this important matter, a large number of them are busily engaged in promulgating ideas that go to discredit many of the important teachings of the Bible, that are the basis of proper moral conditions.

With their "Higher Criticism" so called, they have practically wheeled the Creator out of the universe and undertook to run it by man power. A sorry mess they have made of the whole business and it is only necessary to look at results, to have ample proof of this contention. It is simply a matter of the blind leading the blind and together, they fall into the ditch. Fortunately, of late, some of these clergymen are seeing the catastrophe ahead and are sounding the alarm. The matter does not, as yet, appear to, have been taken seriously by the universities and they go on grinding out their armies of agnostics, to instruct the simple public with the appalling results we see on every hand.

It might be useful to review some of the recently expressed opinions of world-wide known economists, scientists, etc., as to what the proper course to follow is, that normal conditions may again prevail.

Babson, a well known economist, has recently expressed his opinion that the only thing that will permanently correct the present world turmoil is a return to pure religion, undefiled.

The late Thomas Edison, recently made the remark, "that he did not pose as a prophet but let me tell you, that if there is a God, He will not let us progress much further, materially, until we have caught up spiritually."

Any doubts he may have had were removed prior to his demise.

Einstein says, "The economic arrangements of the world cannot feed man's soul."

Prof. R. A. Millikan, scientist, says, "Unless we can find some way of retaining or regaining, spiritual beliefs, science will be of no value to us."

Prof. Alfred Russell Wallace says, "That he hopes the Almighty will pardon him for spreading atheistic ideas in his earlier writings."

Prof. Goldwin Smith, who wrote, "The Old Testament Christianity's Millstone," in his later years had quite reversed his ideas on religious matters and wrote, "the character of Christ, was of great value to humanity"; "that Christianity was the most powerful influence for good, in the world"; "that a man who follows the dictates of conscience and lives a spiritual life, will find it well in the sum of things."

Notwithstanding the fact that so many of these great thinkers saw so clearly, the connection between effect and cause, these "Higher Critics" through their followers continue to rush humanity to destruction.

IRWIN.

Edmonton, Alta.,
April 15, 1932.

Few Queries in Economics

Editor, The Financial Post:

If the income from our basic industry, agriculture, has dropped in the past two years to one-half that of several former years and the average price of all commodities is now the lowest since 1901, the question arises, can we maintain the wage and salary standard that obtains in the urban centres?

Are we to assume that wages are one thing, and the price of farm products something else, and that no inter-relation exists? One would suppose that wages govern in a large measure the price of commodities, but we see that wages are now double what they were in 1901, while prices of commodities are back to the 1901 level.

Is it possible that the law of supply and demand applies only to farm products, goods and commodities, but that the price of labor is fixed and protected? Have the community of farmers, the low pay workers and the unemployed to bear the brunt of the depression, leaving the steadily employed salaried class undisturbed with their reduced cost of living?

How do the earnings of the farmer and gardener in Toronto suburbs these times compare with those of the city worker? In many towns and cities of Ontario, on the trans-Canada highway as well, unskilled labor receives 30c an hour. Why work in the hinterland of this great province at 30c an hour? Come to Toronto, and if you cannot get work, the employed chap gets two men's pay and will divide up with you.

A bit ironical this, but in a more serious vein, we believe the time has come when a movement back to the land is imperative, but how are we going to persuade people to go farming with the unequal conditions that exist today as between city and country.

EQUITY.

Fort William,
April 15, 1932.

National Brick Co. Will Re-open Plants

From Our Own Correspondent

MONTREAL. — National Brick Co. will likely re-open shortly its LaPrairie and Delson plants as the company has a number of order for bricks which must be filled in the near future. There was a report that the LaPrairie plant would be entirely closed but officials of the company deny this, stating that stocks on hand are low and it will be imperative for the company to recommence operations in order to fill contracts. No definite date has been set for the opening of the plants.

THRIFT STORES LIMITED

CONSOLIDATED BALANCE SHEET

as at March 31st, 1932

ASSETS

CURRENT ASSETS:—		
Cash on Hand and in Bank	$112,220.87	
$75,000.00 Dominion of Canada 5½% 1933 Bonds at Cost	76,187.50	
Accounts Receivable, less Reserve for Doubtful Accounts	51,458.63	
Inventory of Merchandise	252,560.04	
		$492,427.04
DEFERRED CHARGES TO OPERATIONS:—		
Unexpired Insurance and Rent, and Prepaid Taxes, etc.	$ 11,790.36	
Organization Expense, less Amounts written off	2,528.56	
		14,318.92
FIXED ASSETS:—		
Warehouse and Store Fixtures and Furnishings including Tenants Improvements, Office Furniture and Fixtures	$219,784.68	
Less:—Reserve for Depreciation	50,401.60	
	$169,383.08	
Goodwill and Leases	39,000.00	
		208,383.08
		$715,129.04

LIABILITIES

CURRENT LIABILITIES:—		
Trade Accounts and Bills Payable	$143,183.60	
Income Tax due April 30th, 1931	8,649.58	
		$151,833.18
CAPITAL STOCK:—		
Authorized:—		
14,000, 6½% First Cumulative Redeemable Convertible Preference Shares of the Par Value of $25.00 per share	$350,000.00	
12,000, 7% Second Cumulative Redeemable Convertible Preference Shares of the Par Value of $10.00 per share	$120,000.00	
57,000 Ordinary Shares of No Par Value.		
Issued:—		
14,000, 6½% First Cumulative Redeemable Convertible Preference Shares of the Par Value of $25.00 par share	$350,000.00	
12,000, 7% Second Cumulative Redeemable Convertible Preference Shares of the Par Value of $10.00 per share	120,000.00	
20,000 Common Shares of No Par Value.		
		470,000.00
Surplus—As per Statement Attached		93,295.86
		$715,129.04

Approved on Behalf of the Board:—
M. RUDOLPH, Director.
A. M. MITCHELL, Director.

AUDITORS' CERTIFICATE

We have audited the books and accounts of Thrift Stores Limited and Subsidiary Company for the year ending March 31st, 1932.

We have received all the information and explanations we have required, and we certify that, in our opinion, the attached Consolidated Balance Sheet and relative statements reflect the true position of the affairs of the company at March 31st, 1932, according to the information and explanations given to us, and as shown by the books of the company.

ROBSON, CAMPBELL & COMPANY,
Chartered Accountants.

Montreal, May 5th, 1932.

Consolidated Statement of Surplus Account March 31st, 1932

Profit from Operations for year ending 31st, 1932		$107,130.74
Deduct:—		
Depreciation on Warehouse and Stores Furniture and Fixtures and Improvements		28,789.46
Net Profit for year before Provision for Income Tax		$ 78,341.28
Deduct:—		
Dividends paid to March 31st, 1932.		
First Cumulative Preferred Stock	$ 22,750.00	
Second Cumulative Preferred Stock	8,400.00	
		31,150.00
		$ 47,191.28
Surplus—Balance at March 31st, 1931		55,189.20
		$102,380.48
Deduct:—		
Income Tax for year ending March 31st, 1931 and Adjustment for 1930 Income Tax		9,084.62
Balance at March 31st, 1932		$ 93,295.86

Penticton Fruit Tonnage Outlook

Present indications promise a record tonnage of fruit in the Penticton area of British Columbia this year. The district has just gone in heavily for fertilizer this spring, one organization having sold about 350 tons, most of it for local use.

Five Canadian Provincial Bonds

The present is an opportune time to assure future income by acquiring high-grade Provincial Government Bonds at favorable prices.

We have prepared a diversified grouping of five Provincial Bonds which, in denominations of $1,000 ($5,000 in par value), can be purchased at a discount, and which give an annual income of $295. These issues are also available in denominations of $500.

Average Yield to Maturity 6.28%

Write for this list—with full particulars—today

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Quebec Ottawa Toronto Hamilton London, Ont. Winnipeg Saskatoon Calgary Victoria Vancouver

40

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Every person should have a Savings Account — as a cash reserve for use in emergencies — and as a safe, dependable investment.

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Capital $35,000,000 Reserves $39,155,106 Assets over $750,000,000

News of Investment Markets

KING EDWARD IS IN DEFAULT ACTION PENDING

Mortgagees Expected to Await Result of Summer Business

REPORT DUE SOON

United Hotels Co. Fails to Underwrite Bonds to Provide Funds for Fixed Charges

With interest on the first mortgage and 7 per cent refunding bonds of King Edward Hotel Co. in default on May 1, after 60 days of grace, and earnings of the company admittedly at a low point due to current business conditions the position of the company is dependent upon action to be taken by the Metropolitan Life, holder of the $2,150,000 first mortgage and National Trust Co., as trustee for the 7 per cent refunding bonds. It is anticipated, however, that foreclosure proceedings will be deferred until later in the summer at which time the result of the current year's operations will be more apparent.

The annual statement of the company for 1931 is expected near the end of May, but no date has as yet been set for the annual meeting. The report is expected to show no better results than in 1930 when a loss of $389,773 was sustained after deduction of unstated fixed charges. Hotels generally suffered a bad year in 1931 and although savings were effected in operating the King Edward these are not expected to offset loss of business, due to lack of tourist and commercial trade. In several respects, however, directors feel that the relative position of the hotel in its field has been maintained and even improved.

Passed Interest March 1

Inability of the company to pay interest due March 1, 1932, on first mortgage and refunding bonds was due to failure of United Hotels Co. of America to underwrite new bonds as agreed in March, 1931. At that time it was provided that a new mortgage was to be authorized to the amount of $3,800,000 and United Hotels Co. agreed to take sufficient bonds in 1931 and 1932 to provide funds required by the King Edward Hotel Co. Some $200,000 of the bonds were taken up but additional purchase was necessary in order that King Edward interest could be met on March 1, 1932. While legal action against United Hotels Co. is possible none has been taken to date.

The first mortgage held by the Metropolitan Life is secured by a first charge against the land and building owned by King Edward Hotel Co., while the 7 per cent refunding bonds, of which $1,145,000 are outstanding, are secured by a second charge on land and buildings and a first charge on furnishings of the hotel. There follows a new bond issue of which $200,000 is outstanding and then 6 per cent general mortgage debenture stock of which there are $2,444,200 of series A and $827,200 of series B outstanding.

Debentures Represented

Debenture holders accepted a reduction in interest rate from 8 to 6 per cent early in 1931. On the class A debentures interest is payable only out of earnings to December 1, 1932, and thereafter interest is guaranteed by United Hotels Co. Class B debenture interest is on a non-cumulative income basis until December 1, 1934. Legal work in connection with reduction of interest was done by Long & Daly and Fraser & Beatty. Debenture holders are represented on the board of directors by a majority, five directors having been elected by trustees appointed by the debenture holders in April, 1931. A protective committee formed by United States interests, which has circularized debenture holders in recent months, has a doubtful case against United Hotels in the opinion of several directors of King Edward Hotel. In any event debenture holders have full representation on the King Edward directorate and it is to the interest of debenture holders that default on the prior obligations should be cleared up if this is at all possible. Should the company be placed in receivership, debenture holders would then have to protect their equity.

Seaboard Power Co. Plant Under Survey

From Our Own Correspondent

MONTREAL.—At the instance of the Nova Scotia Board of Public Utilities, an independent appraisal of the plant, equipment and other physical assets of the Seaboard Power Co., subsidiary of Dominion Steel and Coal Corp., is being undertaken by three engineering experts from Boston.

The survey pertains to an application made recently by the company dealing with a permanent rate fixture for the wholesale distribution of electrical energy in Cape Breton.

Canadian Hydro Electric Earns $18 on Preferred

From Our Own Correspondent

MONTREAL—Reflecting larger deliveries to power contract customers, financial statement of Canadian Hydro-Electric Corp., controlling Gatineau Power Co. and other subsidiaries, for 1931 will show larger earnings on the preferred stock than in any other year reported.

It is expected that share earnings on the first preferred stock, after all charges, will amount to approximately $18.30. This compares with $15.30 in the preceding year and dividend requirements of $6 a share.

During 1930 Canadian Hydro had gross earnings of $8,513,408. After taking care of prior charges there was a balance available for dividends of $1,925,000, as against dividends on the first preferred stock of $750,000.

Gross Revenue Larger

Last year's report will not be available for a few weeks, but some idea of earnings can be gained by examining returns for the 12 months ended September, 1931. In that period gross income totalled $8,900,558 and net available for dividends $2,018,296.

Despite the improvement in earnings of Canadian Hydro-Electric, its first preferred stock is currently selling at a heavy discount. Recent sales have been in the neighborhood of 40, which gives a yield of 15 per cent. So far there has been no intimation from the management of any change in the dividend policy.

STUDY PLANS FOR FINANCING BEAUHARNOIS

Committee Consult With Bennett on Best Move

From Our Own Correspondent

MONTREAL. — It is expected that discussions conducted between the protective committee of Beauharnois Power Corp. collateral trust bondholders, banking interests and Hon. R. B. Bennett will save the big hydro-electric project from liquidation. Three plans, it is reported, have been placed before the Prime Minister.

The proposal, which is understood to have received the most favorable consideration, extends a certain degree of encouragement to investors, though its final shape has not yet been disclosed. In its broader aspects the plan provides that collateral trust bondholders forego interest for six years. In return for this they may be offered payment of all arrears at the end of the period, for which purpose one-half of each annual surplus will be devoted. An alternative to this is that they be given a common stock allotment equal to the surrendered interest payments.

It is also provided that the interest rate be reduced from 6 to 5 per cent, while there may be a readjustment in the common stock now issued. First mortgage bonds now held by the banks as collateral for loans would be cancelled under this plan and short term notes substituted. Short term notes would also be the basis of future financing.

N. S. COLD STORAGE BONDHOLDERS MEET

Company Seeks Approval of Default in Interest

From Our Own Correspondent

MONTREAL.—Bondholders of Nova Scotia Public Cold Storage Terminals will meet on June 2, 1932, to consider certain proposals. They will be asked to sanction the release of certain property from the operation of the trust deed and mortgage; to waive certain conditions with respect to the sinking fund, as well as approving a waiver for any and all defaults on the part of the company.

Possibility of a reorganization is seen in another clause, wherein bondholders will be asked to consider the exchange of their bonds for other securities.

Built Three Years Ago

The company, which was formed in 1928, has outstanding $1,700,000 of six per cent first mortgage thirty year bonds in addition to junior securities. The plant comprises a public cold storage property in Halifax, comprising three units, namely, general cold storage; apple and potato precooling and storage; and the rapid freezing and storage of fish. By an arrangement with the Dominion Government, the latter provides for payment to the company of a cash subsidy amounting to 30 per cent of cost of constructing and equipping terminals, payable in four annual installments.

No financial statement has been made public since the company started operations, but it is likely that the unsatisfactory conditions which have prevailed in the market for fish in the past two years have found a reflection in revenue.

OGILVIE BOND ISSUES DISAPPEAR IN JUNE

Junior Stocks Will be Only Securities Outstanding

From Our Own Correspondent

MONTREAL.—On June 1, bonds of Ogilvie Flour Mills, which are outstanding to the extent of $2,350,000 will be redeemed in cash. Refunding operations, it is reported, are not contemplated. With redemption of these bonds, the company will be without funded debt, and capital structure will comprise $2,000,000 of 7 per cent preferred stock and 75,000 shares of no par common stock.

Bonds outstanding at the end of the last fiscal year, August 31, 1931, comprised $1,000,000 six per cent first mortgage bonds, series "A" issued in 1902; $750,000 series "B" issued in 1908 and $600,000 series "C" issued in 1913 The three issues mature on the same date, June 1, 1932.

A fortunate factor in the situation is that principal and interest in all three cases is payable in Canadian funds only, otherwise the premium on U. S. funds would have incurred a substantial outlay on the part of the company in paying off the bonds.

The balance sheet of Ogilvie Flour Mills at the end of August 31, showed a working capital of $8,843,986 with current assets totalling $11,574,710. The largest item in current assets was investments which were valued at $7,829,445. In liabilities, bank loans amounted to $800,000.

UNIVERSITY TOWER MAY MAKE DEFAULT

Bondholders Will Meet to Discuss Certain Proposals

From Our Own Correspondent

MONTREAL. — Holders of University Tower Corp.'s six and a half per cent general mortgage bonds will meet on June 7, to discuss a proposal whereby they will be asked to waive default on payment of interest due May 1, and to postpone such payment until May 1, 1935, together with other payments due in the intervening period. They will also be asked to waive the failure of the company to make sinking fund payment in regard to the underlying mortgage due March 1, 1932, and September 1, 1932, and to sanction an arrangement with the mortgage creditor to postpone payment until the maturity of the underlying mortgage.

Approval will also be sought for postponement of sinking fund payment on their own bonds, and they will be asked to waive default resulting from the postponement of payment of certain fixed charges on the property forming the specifically mortgage premises.

University Tower Corp. operates an eighteen-story office building on the corner of St. Catherine and University St., Montreal, which was completed in 1930. There are outstanding $1,000,000 of six and a half per cent general mortgage bonds, and also $1,250,000 of six per cent first mortgage bonds.

Cawthra Apartment Bondholders to Meet

Bondholders of Cawthra Apartments, Ltd., will meet in Toronto on June 6 to consider re-organization of the capital structure of the company whereby it is proposed to issue $212,500 of 6 per cent 15-year mortgage bonds, $212,500 of 6 per cent non-cumulative redeemable preference shares and $29,750 of 6 per cent five year notes dated June 1, 1932, payable June 1, 1937. Bondholders are asked to accept these new securities in exchange for the $425,000, 7 per cent first mortgage bonds maturing 1946. For each $100 of the bonds presently outstanding, the holder would receive $50 of new bonds, $50 of preference shares of the company of $7 principal amount of notes. The notes cover interest on the present bond issue which would otherwise be payable on June 1 and Dec. 1, 1932.

The company owns an apartment house in Toronto containing some 72 suites. The 7 per cent first mortgage bonds were offered to the amount of $425,000 in 1926 by W. A. Mackenzie & Co., and the sinking fund which was to have started June 1, 1928, has been in arrears since that time. While the percentage of rentals is reported to have been fairly high, revenue is understood to have been insufficient to meet more than interest charges. Under the plan of re-organization, bondholders are asked to release the equity holders from their obligations under the original trust deed.

Trustee for the present first mortgage bonds is Toronto General Trust Corporation, and the bondholders' meeting will be held at the office of the trustee, 353 Bay Street, Toronto, at 10.00 a.m., June 6.

Canadian Western Lumber
Statement of Lumber Manufactured, Sales and Price Realized

Feb.:	1931 Feet	1932 Feet	Decrease Feet
Lumber mftd.	8,648,571	9,005,700	†357.129
Lumber sold	8,595,760	8,070,983	524,777
Price realized	$125,194	$96.178	$29,016
Aggre. mftd.*	17,767,620	17,230,064	537,556
Aggre. sold*	15,625,427	15.966,784	†341,357
Price realized*	$229,014	$195,381	$33,633

*From Jan. 1 to end of Feb.
†Increase.

WPG. ELECTRIC CONTINUES FIGHT FOR TAX RELIEF

Reduction of Service or Receivership Mentioned

From Our Own Correspondent

MONTREAL.—Winnipeg Electric Co. and the City of Winnipeg are still at odds over the manner in which the traction company is to be relieved of some of its liabilities under the terms of the franchise. On the one hand the city is hard pressed financially and does not want to give up any source of revenue; on the other hand, the company is determined to get extensive relief, failing which it threatens a drastic reduction of service and possible receivership.

Another development in the dispute is that the company's lawyers claim that the sanctity of the contract had been destroyed when the city brought the franchise under the jurisdiction of the Public Utility Commission which was created by legislation in 1912. Counsel claims that the city is unwilling to give the company relief and that the public utility board is without the required power. Therefore it remained to the legislature to relieve the company of its alleged unfair and onerous burdens.

Objections of Company

Under the terms of the franchise the company pays to the city 5 per cent of its gross earnings; the paving charge and the charge for snow removal. Edward Anderson, president of the company, argued before the civic committee, that the company should not be required to pave the streets about its tracks and keep that pavement in repair. He pointed out that the company had expended $2,333,000 in laying pavement. The city, he claimed, should bear half the cost of snow removal, the annual cost of which amounted to approximately $37,500.

Pointing out that the company paid other taxes, such as those on its property, the fixed assessment tax of approximately $50,000 annually, and $20 for each car and bus operated, amounting to $6,300, Mr. Anderson declared the company could not possibly pay interest on its bonded indebtedness, let alone dividends on common or preferred stock. It was no longer able to obtain even credit of one dollar from the banks.

If the company failed to obtain relief from the three charges, it was faced with liquidation or drastic reduction of services, both of which would prove greatly detrimental to the city.

Bond Tenders

6 o'clock, May 14, Municipality of Hereford, Que.—$15,000, 5 per cent bonds, dated Jan. 1, 1932, redeemable serially from Jan. 1, 1938 to Jan. 1, 1962, payable at Banque Can. Nationale. at Coaticook, Que. A. Keroack, sec.-treas.

May 16, Smiths Falls, Ont.—$30,884.45 20 year 6 per cent debentures for local improvement work done under the Unemployment Relief Act. J. A. Lewis, town clerk.

British Columbia Authorizations

The following certificates have been issued by the Municipal Department of British Columbia upon the following dates:

Jan. 13, 1932—District of Coquitlam, Water Works System Deb. By-law 1931, No. 309, $15,800, 15 years 5 per cent; Feb. 8, 1932—Kamloops, Local Improvement Consolidating By-law No. 708, $12.350, 10 years 5 per cent; Feb. 12, 1932—District of Burnaby, Local Improvement Deb. By-law No. 69. 1931, By-law No. 1349, $16,000, 30 years 5 per cent; Feb. 12, 1932—District of Burnaby, Local Improvement Deb. By-law No. 70, 1931, By-law No. 1355, $185,000, 30 years 5 per cent; Feb. 24, 1932—District of Burnaby, Local Improvement Consolidation By-law No. 3, 1932. No. 1351, $41,385, 10 years 5 per cent; March 7, 1932—District of Coquitlam, Sherwood Avenue Water Works Deb. By-law 1931, By-law No. 312, as amended by Sherwood Avenue Water Works Deb. By-law 1931 Amendment By-law 1931, No. 315 $1.321. 10 years 5 per cent; March 7. 1932—District of Coquitlam, Alderson Avenue Water Works Deb. By-law 1931, By-law No. 310, as amended by Alderson Avenue Water Works Deb. By-law 1931 No. 316, $432, 10 years 5 per cent; March 7, 1932—District of Coquitlam, Quadling Avenue Water Works Deb. By-law 1931, By-law No. 311, as amended by Quadling Avenue Water Works Deb. By-law 1931 No. 317, $340, 10 years 5 per cent; March 11, 1932—District of Burnaby, Burnaby Temporary Deb. By-law 1931, No. 1358, $100,000. 10 years 5 per cent; March 31. 1932—City of Trail Business Section Electric Light Standard Local Improvement Deb. By-law No. 722. $17,681, 15 years 5 per cent; March 31, 1932—City of Trail Electric Light Standard Local Improvement Deb. Consolidating By-law. No. 728, $24,000, 15 years 5 per cent; April 8. 1932—District of Oak Bay, Local Improvement Deb. By-law No. 87 (Heron) By-law No. 686, $3,462, 10 years 5 per cent; April 8, 1932—District of Oak Bay, Local Improvement Deb. By-law No. 88 (Humber), By-law No. 687, $3,761, 15 years 5 per cent; April 18, 1932—New Westminster: By-law No. 1341, $1,831, 20 years 5 per cent; April 25, 1932—New Westminster, Local Improvement Deb. Consolidation By-law No. 1, 1932, By-law No. 1349, $1,388, 5 years 5 per cent; April 25, 1932—New Westminster, Local Improvement Deb. Consolidation By-law No. 2, 1932, By-law No. 1350, $76,852, 30 years 5 per cent; April 25, 1932—Prince Rupert, By-law No. 854, $16,000, Sanitary Sewer, 20 years 5 per cent.

Small Seal Catch In Newfoundland

Newfoundland's seal fishing season for 1932, just closed, is the poorest on record for the past fifty years with the exception of 1915 and 1920. A total of 48,613 pelts were landed. Total catch in 1931 amounted to 80,377, in 1930 to 241,236, and in 1915 and 1920 to 47,004 and 33,985 respectively.

Only six vessels were engaged in the seal fishing this year as compared with 10 in 1931 and 18 in 1930, and of the 1932 number, two returned to port without any catch owing to becoming disabled. One boat was responsible for more than 64 per cent of the 1932 catch with a total of 31,355 pelts.

CANADA DRY PROFIT OFFSETS EARLY LOSS

Net Current Assets Are Equal to $7.59 Per Share; to Open New Plant

Operations of Canada Dry Ginger Ale Inc. in the second quarter of the current fiscal year, the three months ended March 31, resulted in net profit of $41,742, available for dividends, as compared with $468,489 in the corresponding quarter of 1931. In the six months ended March 31, the net profit of the company available for dividends was $18,182 as compared with $671,766 in the first half of the previous year. P. D. Saylor, president of the company, reports that advertising and sales expense are somewhat greater than in 1931 and that on Feb. 1, 1932, salary and wages were reduced by 10 per cent.

Sales for the half year amounted to $2,982,704 as compared with $3,975,751 in 1931. Sales price was reduced 20 per cent at April 1, 1931. During the final six months of the year approximately two-thirds of the annual sales are made. Net current assets of the company are shown at $3,886,861 equal to $7.59 per share on stock outstanding. Current assets total $4,537,381 of which $3,164,749 is in cash and investments. Current liabilities are shown at $650,520.

Plans for the current year include the opening of a new plant in Los Angeles about July 1; extension of the New York City "direct to the retail trade delivery" plan to include the greater portion of the New England states; extension of the "return bottle plan" to take in new territory, and distribution in 40 principal cities of fountain syrup. Sales and advertising plans are based on continuation of unfavorable business conditions and average weather conditions. Canadian sales and profit for the first six months of the current year are stated to be above those of the corresponding period of 1931.

Results for the six months ended March 31 are as follows:

Six Months Ended March 31

	1932 $	1931 $
Net sales	2,982,704	3,975,751
Less: Cost of sales, expense	2,774,022	2,987,155
Operating profit	208,682	988,597
Add: Other income	67,874	74,298
Gross income	276.556	1,062,895
Less: Discounts, etc.	92,527	178,309
Depreciation	146,568	142,720
Interest	6,779	....
Income taxes	12,500	70,100
Net profit available for divds.	18,182	671,766

U. S. Tariffs Threat Menaces, Coal, Lumber

From Our Own Correspondent

VANCOUVER—If the United States senate adopts the proposed tariff on lumber and coal, two of British Columbia's chief industries will suffer heavy losses, according to representatives of leading sawmill organizations and collieries.

"The proposed duty on coal entering the United States will virtually shut us out of one of our most profitable markets," said Col. C. F. Villiers, managing director of the Canadian Collieries (Dunsmuir) Ltd. Vancouver Island coal to the extent of 50,000 tons annually has been sent to the United States in recent years.

"Our only hope is that the proposed increase of $1 a thousand feet to $3 a thousand is sidetracked when it is brought before the floor of the Senate," said John D. Kissinger, manager of Canadian Puget Sound Lumber & Timber Company. "If the increased tariff is adopted we will be eliminated from the United States market."

In an attempt to save some of the export markets for British Columbia lumber, strong representations are being made to Ottawa for the continuance of the ship subsidy to cargoes being sent to the Orient.

The first subsidy for lumber cargoes was granted about three years ago in respect to the Australian service. When economic troubles interfered with sales in Australia, arrangements were made to transfer the subsidy to the China service, with the result that a market requiring about 30,000,000 feet annually was developed there last year.

BATTLE FOR NEWSPRINT TONNAGE CONTRACTS SEEN BY PUBLISHERS

(Continued from page 1)

place in North American production for the first quarter of 1932 and 1931 are set forth below:

NEWSPRINT PRODUCTION (First Quarter—Tons)

	1932	1931	Dec. %
Canada	490,330	539,899	9.2
U. S.	281,438	291,275	3.4
U. S. & Can.	771,768	831,174	7.1
Nfld.	65,994	72,302	8.7
Mexico	3,213	3,860	16.8
N. America	840,975	907,336	7.3

While the Canadian, American and Newfoundland mills are reporting a smaller production and consequent decline in sales, European producers are taking advantage of the present unsettled conditions of the newsprint market to secure a larger share of the American trade.

Their success along these lines is evidenced by the fact that between 1930 and 1931 sales increased from 134,213 tons to 151,064 tons, a gain of 12.6 per cent during a year when consumption fell off 7.1 per cent. For the first two months of 1932 European sales totalled 29,202 tons, as against 24,656 tons in the same period last year, a gain of 18.4 per cent.

Figures on overseas (European) imports follow:

OVERSEAS NEWSPRINT IMPORTS

	Tons
1931	151,064
1930	134,213
Increase	16,851
	12.6%
January-February	
1932	29,202
1931	24,656
Increase	4,546
	18.4%

These figures would indicate that while the majority of American publishers are sticking to their contracts, spot business is going in increasing volume to European producers, who have been able to undersell Canadian and American mills in the United States market.

Though it is true that the volume of European sales is relatively small in comparison with total consumption, the mere fact that newsprint can be had below contract levels will prove a powerful weapon in the hands of the publishers.

Meanwhile there is a fair degree of price stability in the market due to banking influence. How long this situation will last is a matter of guesswork, but the fact that the present is a buyer's market will have an important bearing on renewal of contracts toward the end of this year.

Pacific Great Eastern Again Up For Disposal

From Our Own Correspondent

VANCOUVER. — Renewed negotiations for the disposal of the Pacific Great Eastern Railway have taken Premier S. F. Tolmie to Ottawa to confer with Premier R. B. Bennett.

Details of the proposed new deal have not been made public, but indications are that the government will be happy to let the railway go at almost any terms provided the new owners can give a satisfactory guarantee of their stability. The government is also anxious to provide that the railway will be extended into the Peace River country so as to provide a Pacific outlet to the grain areas of the north.

Montreal Exchange Lifts Shawinigan Minimum

From Our Own Correspondent

MONTREAL.—Effective on Friday, the minimum price of Shawinigan Water and Power stock will be removed and the issue again restored to unrestricted trading on the Montreal Stock Exchange. The "pegged" price for the stock has been 33, while the street price is around 11 to 11¼.

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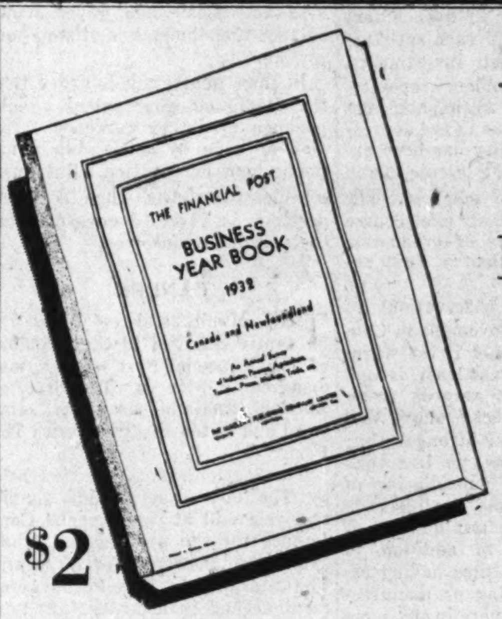

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Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1931 $	Net Income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Canadian Canners	Feb. 29	*103,136	610,765	...	0.42	0.20	541,013	851,382	...	...	...
Hayes Wheels	Dec. 31	*207,608	*193,694	...	...	...	581,872	807,198	...	...	...
Langley's Ltd.	Dec. 31	40,874	86,792	...	2.15	...	136,244	141,550	...	...	...
Dominion Motors	Dec. 31	*242,751	*150,344	...	...	0.20	406,954	891,110	2	10	10%
Standard Paving & Supply	Mar. 31	†78,301	†313,537	...	...	...	1,024,076	1,125,628	2	...	...

*Loss. †After preferred dividend of subsidiary.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Ottawa	May 9	Bank of Nova Scotia, Bank of Montreal, Royal Bank, Wood, Gundy & Co., Bank of Commerce, Bell, Gouinlock & Co., McLeod, Young, Weir & Co., Royal Securities Corp., Nesbitt, Thomson & Co., Dominion Securities Corpn., A. E. Ames & Co., Fry, Mills, Spence & Co., Hanson Bros., R. A. Daly & Co.	5½%	1941	$282,225	*97.50	5.85%
				1946	362,361	*97.50	5.76%
				1951	892,020	*97.50	5.71%
				1961	1,665,000	*97.50	5.67%
Saint John, N.B., City & County of	May	Bank of Nova Scotia, Eastern Securities Corp.	6%	1947	$573,400	*100	6.00%
Carleton County, Ont.	May 4	Gairdner & Co., C. H. Burgess & Co.	6%	10 ins.	200,000	98.03	....
			6%	20 ins.	25,000		

*Offering price.

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TORONTO, MAY 14, 1932

VOTING C. N. R. FUNDS

POLITICAL management has killed the Canadian National Railways and drained the taxpayers almost dry. But it has not been merely partisan influence. When the Liberals asked Parliament to vote money for C. N. R. extensions the protests of the Conservatives have not been against the expenditure but because the sums voted were not enough.

It is not on record that any party in the House of Commons has ever forced a division as a protest against the extravagant voting of money to the C. N. R.

"WITHOUT SQUEALING"

CANADIANS are advised by Sir Campbell Stuart and Hon. G. Howard Ferguson, to follow the example of the British people and pay their taxes patriotically and "without squealing." But the British people are not as unintelligent as these politicians would have us believe. Following Chancellor Chamberlain's, budget they have done a great deal of squealing.

The president of the Federation of British Industries says "industry will be profoundly disappointed . . . no evidence of real relief." Lord Decies, director of the Income Taxpayers' Society, says "bitter disappointment to all classes of taxpayers." Francis W. Hirst, eminent economist, says: "We can not possibly support without disaster the present scale of national expenditures." Sir Ernest J. P. Benn, publisher and economist, says: "Mere justice demands that . . . the axe should be swiftly and ruthlessly applied."

The Stock Exchange Gazette reflects the opinion of the City in these words:

"The great blot is the reluctance to pursue economy. Years of thriftless spending must have yielded a fertile field of extravagance which can still be cropped. Imagination should be applied in that direction. It may be magnificent for the taxpayer to hold his nose to the grindstone, but it is not business."

The British know well the merits of squealing. We, in Canada, will not obtain balanced budgets until the public makes governments realize that half measures in tax reductions are unpopular.

TRADE MAKES PROSPERITY, NOT PAPER MONEY

RECENTLY The Financial Post ran a little story about the dollar cheque that moved from hand to hand in Kelowna, B.C., buying a dollar's worth of goods in each of twenty stores, making 25 cents gross profit for each of twenty merchants, and finally coming back to the last holder marked "N.S.F." Each of the beneficiaries of the intermediate sales then chipped in five cents to make the cheque good. Each one thus had twenty cents profit left.

"There must be a catch in it somewhere," was probably the first thought of everyone who read the little story. There was, of course, no catch in it at all although there might be some confusion in the mind of the person who fixed his attention upon the cheque to the exclusion of the actual exchange of commodities that had taken place. Very much the same results would have occurred if the twenty merchants had gotten together in a circle and each one had effected an exchange of some piece of dollar merchandise from his own store for a piece of merchandise of similar value from his neighbor. So long as each man disposed of something of which he had a surplus and acquired something for which he had a need there could be nothing but net benefit all around and it would not be necessary to use a bogus cheque to do the job. Such systematized barter would in fact have been better all around for the twenty merchants would not have had to contribute five cents each of their profit to the man who first handed over a fake cheque instead of contributing his dollar of value to the great exchange.

And while each merchant had made a book profit of 20 cents he was at the same time poorer by the amount of the meal, or the service or the merchandise he had bought for himself and consumed.

It is quite apparent that it was not the magical power of the figures scribbled on a cheque form that provided this little round of prosperity but simply the exchange of merchandise.

A somewhat similar case is recorded by a United States merchant, who wrote to the New York Times:

"With the thought in mind that people had money but were afraid to turn it loose, I had prepared a check for $10 on my local bank. The check was about three and a half feet long and about eighteen inches wide, a facsimile of the bank's regular check. I took this to one of our local merchants and asked that it be credited to my account, according to the terms stated on the back of the check. These were:

'It is understood and agreed by the accepting of this check that I will at once (within fifteen minutes), either spend the sum called for or else pay some other on an account I may owe; explaining, as it passes on, the purpose: "The everlastin' team work of every bloomin' soul"; that 'twould, with only a few dollars, start us again on the road to prosperity—spendin' and debt payin'."'

"I started this check about 9 o'clock one morning, and at 6 o'clock that night it bore forty-one endorsements—$410 spent and paid on accounts which otherwise would not have been. The check was only a medium of exchange, just the same as currency. It was only for the purpose of showing what could be done if people would only not be afraid to start. A $10 bill would do the same work if somebody only started it."

Here the writer of the letter does not make the mistake of assuming that it was the cheque and not the actual exchange of merchandise (or the payment for merchandise previously exchanged) that made everybody happy.

The function of money in trade is to facilitate exchange of goods and services and to advance trade one step beyond the stage of barter. If the public has confidence in the trading medium used it does its job, whether the medium be gold containing $1 worth of gold for each $1 of face value; silver coins containing (as in Canada) about 20 cents worth of silver; per $1 face value; paper money based entirely upon confidence in the issuer's ability to pay, or even an N.S.F. cheque, when the payee does not know it is bogus.

But it isn't the issuance of the money or the writing of the cheque that starts business turning over. If all we needed for prosperity were plenty of monetary units, governments would indeed be justified in operating printing presses 24 hours a day and the public would be justified in getting trade going by buying goods in exchange for bogus cheques.

A BRANCH PLANT WARNING

RECENT editorial references in important United States periodicals contain pointed warnings to United States manufacturers to consider carefully any further expansion in this dominion, especially in regard to branch plants, due to the very uncertain outlook for the branch plant in Canada.

Advertising & Selling, of New York, for instance, says there is evidence that this $1,200,000,000 trek will soon end if it has not stopped already. The reasons given are that a number of branch factories have failed to earn satisfactory returns on their investments. An important problem reported, quite apart from anticipated declines in business due to the depression, is that difficulty has been experienced in gaining access, from Canada, to foreign markets. The Canadian market itself is of course restricted and costs of production have been higher than at first anticipated.

From our own observations of the branch plant movement in Canada, we greatly doubt if the warning, for the present at least, is well founded. Our own records (compiled week by week) show that the trend was never stronger than at the present time, no less than 35 new Canadian subsidiaries of United States firms having been established in the first quarter of this year alone, in addition to many other U. S. firms having established new selling or manufacturing connections here in the same period.

As to the claim that Canada is losing its attractions as a base for foreign selling, this, too, seems wide of the mark, since the best outside market for most Canadian branch plant manufacturers has been the British Empire and within recent months Canada has completed advantageous treaties with New Zealand and Australia, which definitely improve the Canadian position as compared with the United States, while the raising of a tariff wall by Great Britain—the United States' biggest single market—has placed a further advantage with the Canadian-operated concern.

The warning should not be taken too lightly, however.

For instance, there must have been a great number of United States firms, which formerly did a flourishing business with New Zealand through their Canadian branch plant, and which for the past year or so have been unable to gain any advantage in this particular field because of pure political blundering which tossed the former treaty into the scrap heap a year or more ago. Similarly, the unstable condition of the Canadian tariff structure at the present time due to the extraordinarily wide powers possessed by the government to alter tariffs and customs valuations by order-in-council on a moment's notice, has unquestionably proved an unsettling influence tending to destroy confidence in the stability of the Canadian situation. It will be appreciated of course that many of these changes have themselves proved one reason for establishing of more branch plants here, but nevertheless the flood of orders-in-council of the past two years has not been conducive to sound business operations.

As we said before, we doubt if the fears of the American commentators are justified but the warning might well be taken to heart by parliamentarians who too often play political ping-pong with business agreements, having little or no regard for the ultimate consequences.

PROMISE OF 1922

WHEN he took over the Canadian National Railways, Sir Henry Thornton said:

"The first thing to do is to hammer these different railways into one physical entity. The next task will be the selection of competent and suitable officers. The third point is to overtake the deficit and eliminate it, and, fourth, to develop the railways in such a way as to develop the country.

"Government administration has hardly anywhere been successful. It is not ordinarily as efficient as private administration. There is only one principle that will bring success, namely, no political influence or interference."

No doubt if some one else takes over the job from Sir Henry, he will start off with the same promise.

The railway problem today is larger than the railway problem of 1922 by the amount of the additional billion dollars taken from the taxpayers or added to the national debt since 1922.

EXCESS BORROWING RAISE INTEREST RATES

THE Vancouver Province and the Calgary Herald and many other papers believe that the price of money in Canada is too high. They contrast unfavorably the rates paid by the Canadian government for loans and the rates recently paid by the United States government. The different loans are not strictly comparable. In Canada our bonds are fully taxable; in the United States exemption is given from high surtaxes. Our issues are for long terms and the recent United States issues for short terms. The American issues are being put across chiefly by inflationary measures through the Federal Reserve Board. Similar measures in Canada would very quickly precipitate a national financial crisis. The American loans are designed to attract safety-first funds that might otherwise be hoarded. The Canadian loans are designed to draw out investment funds.

Complaint against the high interest rates being offered on Dominion, provincial and municipal loans is voiced in other directions. Builders and building supply manufacturers aver that investors and institutions, who ordinarily make substantial sums available for building purposes, are putting their money in the high yield public issues and that the supply of mortgage capital has dried up entirely.

Eventually in the cycle of business the cheap money phase will be reached. But it is being deferred by lack of general confidence, by excessive taxation and by abnormal demands upon the money market by governments. There will be plenty of cheap money available for building and other business activities when governments balance their budgets and stop borrowing.

In some quarters it is urged that the Dominion government should cheapen credit by currency inflation or even by setting up a national loan corporation. But such schemes are futile when the real problem, inflated governmental costs, remains unsolved.

CANDOR

THE Manitoba Free Press recently referred to the "candor" of The Financial Post when it was disagreeing with us. The Star, of London, England, used the same word and it, too, disagrees with The Post.

The Star objects to the view held by The Post that Canada should receive credit at the Imperial Conference for the preferences it has granted unanswered for 35 years. The Star twists The Post's comment around to mean that Britain should receive no credit for its recent preferences. It says:

"The preferences which were to be so useful for 'bargaining' have already been swallowed up. It is only another illustration from within the Empire of what we have been learning from France and Germany that the protection which was to have brought true free trade nearer has only put it further off than ever."

Recently Sir Arthur Balfour, British business leader, gave an address in which he said that Great Britain should know, before it sends its delegation to Ottawa, what quid pro quo the Dominions will be willing to offer for a preference from Britain. He, too, made no reference to the existing Canadian preferences.

Perhaps a little candor is needed from Canada.

OBSTRUCTIONIST

AT ONE time J. S. Woodsworth, M.P., was a real asset to the House of Commons. His views were always very radical but they showed some evidence of original thinking. He was never content to take anything for granted and his frequent outbursts against traditional ideas made the supporters of those ideas examine their own stand more carefully. But recently Mr. Woodsworth has become simply a nuisance. He shows picque and childishness. He obstructs parliamentary machinery whenever he gets a chance, whether any good purpose is served or not. When he gets up to speak members say, "What, that crank Woodsworth again!"

The man who would play the rôle of the one wise man in an assembly of 245 must be reasonable friendly and tactful. Mr. Woodsworth is not winning friends by obstructing parliament.

POST-scripts

IT IS a difficult matter these days to keep up with the rumors. Few—very few—have any substance of truth in them, but the way they are bandied about with the air of absolute assurance makes many people take them for gospel. There is one Quebec manufacturing firm, occupying a stately building of its own, which has been the subject of many rumors of late. An official of the company was asked if there was any truth in some of the stories in circulation. He replied: "The latest rumor about our company is that we have bought the hotel next door."

"But what in the world would you do with the hotel," he was asked.

"Oh, that's where we are going to house all the rumors."

BRITAIN'S largest illuminated sign was officially lighted recently on the Grand Buildings site in Trafalgar Square, says Advertisers' Weekly, of London, Eng. This is an advertisement for Canadian Club tobacco and bears the words "Buy British! Smoke Canadian Club Tobacco and Cigarettes." The site measures 110 ft. by 40 ft. high, and the huge metal letters are finished with cellulosed enamel in a color which is in strong contrast to the building. At night the sign is illuminated by Claudegen neon tubes of 15m. to 30m. in diameter, which are placed in the troughs of the letters.

Border tubes are two lines of blue and one of green, triangular designs are in dark red, the words "Buy British" and "Smoke" in double and single line red, the words "Canadian Club" in double outline red with a centre of green and "Tobacco" and "Cigarettes" in double outline red.

The tubes appear to be red hot, although they are quite cool, no matter how long alight. To produce this intense glow 185 miles of wire are employed. But the total cost of the current consumed is exceedingly small—only 1s. 4d. an hour.

An Osram photo cell which is sensitive to light automatically switches the sign on or off. This photo cell is used in the circuit in such a way that a small change of current is produced when the light on the cell alters. In this way at nightfall or during any time of the day when daylight falls below a certain level the sign automatically lights.

WHEN the editor of the National Revenue, Ottawa, heard that he was going to receive a 10 per cent salary cut he apparently became curious and looked up the derivation of that important six-letter word. Not satisfied with that, he also dug up a few other interesting derivations. Here they are:

"No English word is receiving more attention, particularly in the civil service these days, than the word salary. This word comes from the Latin salarium, salt, and the first salary of which history has any record, was the allowance made to the Roman soldier for his salt, a precious commodity in those days. Salary today means money, which word can be traced to Moneta, an old name for Juno, the admonishing goddess. The Roman money was made close to Moneta's temple, hence from her name we have the word mint.

"The simple verb to dicker has an interesting origin. Dicker is a corruption of decuria, set of ten. This Latin word was especially applied to a bundle of ten hides used by the Romans as a unit of tribute and barter. In America the word has acquired its present meaning to haggle largely through the bartering carried on with the Indians in the early days in the fur trade.

"Formerly the flounder, a fat fish, was known as the butt. Probably because, eaten on days set aside as holy days, this fish became known as holy butt, which gives us halibut."

Other People's Views

Wages and Prosperity

National City Bank (N.Y.) Letter—It is commonly urged that wage reductions reduce purchasing power, but this overlooks the fact that the public pays all wages in the prices of what it buys, and that a reduction of industrial costs and prices increases the purchasing power of the public by an equal amount. Furthermore, it increases the purchasing power of many distressed people whose incomes already have been reduced more than the average wage reduction.

If the premise is correct—and nobody disputes it—that the various occupational groups buy each other's products and services practically by a process of exchange, and that any serious alteration of the terms of these exchanges slows down trade and consumption, it follows that any movement of wages and prices tending to restore the normal equilibrium is in the common interest. Once the equilibrium is regained, consumption and employment begin to increase, and prices and wages rise together, as seen in every period of prosperity.

Sense About the War Debts

N. Y. Times.—The Senate had a delightful time last Thursday characteristically wasting two hours in discussing what is not. A newspaper report had it that Ambassador Mellon's first duty on reaching London will be to open negotiations for a revision of the British war debts settlement. This was at once denied. Senator Reed stated that the president had authorized him to say that there was not a word of truth in the story. But a Senate discussion, once started, cannot be stopped by merely having the props knocked out from under it in this way. It went merrily forward, and in the course of it Senators of both parties took occasion to assert in the most positive way that the people of this country could never be induced, under any circumstances, to consent to a reduction or cancellation of the war debts.

Thereupon, at the end of the debate, Senator Glass arose to declare his "total disagreement with the views entertained and expressed on both sides of the Chamber." The Virginia Senator is never lacking in courage and outspokenness. On this occasion he also displayed a clearsightedness and practical grasp of affairs which would be searched for in vain in what other Senators said on the same subject. His contention was that it was foolish for Congress to seek to close and bolt the door against any possible changes in the war debts settlement. He put the case in very simple terms:

As I conceive it, a very practical question is involved, or may be involved, and that is whether it were to the better advantage of this country to readjust the indebtedness rather than to insist upon the pound of flesh. I can very readily apprehend that circumstances hereafter may be such as to induce the Congress absolutely to reverse its apparent attitude of today on that question.

This is the common-sense and business-like way of looking at the whole matter. It is not a question of legal right or abstract justice, but of the actual and predominating interest of the United States. If it can be shown, as it may be some day, that it is contrary to that interest to insist upon payment of the war debts in full, then it would be folly to try to enforce their collection. What we want is the money; but if we can make more money by fore-going these particular sums, or a part of them, the wise course for a practical and hard-headed people is obvious.

Government Borrowings

Welland-Port Colborne Tribune: There has been more or less arguing back and forth of late concerning the rates of interest offered on government securities when the Dominion and the provinces went into the market to borrow. It is claimed in some quarters that six per cent was an outlandish price for a government to pay and that it ruined the market for municipalities desiring to float loans.

Governments are not so wise or powerful as some would credit them. They are afflicted with the same lack of astuteness and vision that is common to individuals. Sometimes they become involved in bargains that prove foolish later on. The majority of them do too much borrowing. If they would adopt a policy to get along with less it would be better for the taxpayer.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

SOCIALIST FRANCE

A SOCIALIST government in France does not mean what it might mean in Canada. The Socialists in France are hardly more liberal than the Liberals in Canada. Thus, while the French financial and business community did not take the Herriot victory smilingly, it had to admit that no fundamental change in French domestic or foreign policies is suggested.

The increasing tension in France's financial position is not very satisfactory to those French leaders of opinion who have enjoyed the spectacle of a financially dominant France extending its political control in the world. But to other countries there may be some ultimate benefit in the continued internal deterioration of financial conditions in France and the United States. As the two leading gold creditor nations disintegrate, there is a levelling down among the nations that may make international financial negotiations somewhat simpler. If a Socialist victory tends to bare some of the weaknesses in France's financial position the immediate effect will be disconcerting but it may speed final restoration of equilibrium.

In foreign policy Herriot as premier cannot be expected to reverse the Tardieu policy of no concessions on reparations or disarmament but at least he is likely to be more conciliatory, and this will make settlement of the reparations problem easier although the disarmament conference seems to be so hopelessly knotted.

* * *

WELSH COAL IMPORTS

IN A world where international trade is being pulverized by excessive nationalism, it is cheering to learn that there is "one bright spot" for at least one group of producers and it is likewise surprising to learn that Canada is the bright spot.

At the annual meeting of the Welsh coal-trust, the chairman, F. A. Svarvasy said:

"In the struggle for markets, Canada is the one bright spot, for, owing to the action of the Government of that progressive country in its desire to foster inter-Commonwealth trade, we are being helped to increase our shipments during the present season, as Canada has excluded Russian coals and has imposed a duty on foreign anthracites.

"I am hopeful of good results from the coming Ottawa Conference, if only it will be treated as a serious proposition of first importance. The Government of Canada has already gone some way toward proving her bona fides for closer economic unity, and I sincerely trust that the work of the coming conference will be handled by men of vision and of Commonwealth spirit, who will proceed on the lines of the great possibilities of tomorrow and the day after, rather than that the conference should be left in the hands of experts and statisticians who must largely be influenced by the happenings of today and yesterday.

"Our company's trade with Canada is exceedingly valuable to us, and, as I say, its volume is an increasing one."

* * *

FRIENDLY TO RUSSIA

LORD REVELSTOKE, head of the British international banking house of Baring Brothers, recently wrote The Times urging the British people not to close the doors to possible future intercourse with the 150,000,000 citizens of Russia now dominated by a handful of "Marx-hares." He said:

"If we deny ourselves intercourse with Russia we stand no chance of ever reaching an understanding with those 150,000,000. And yet that large population will remain a vastly important factor in the world's affairs.

"If the day ever arrives, as it is most earnestly to be hoped that it may, when a Russian reconstruction loan is floated under international auspices, it will mean that Russia, tired perhaps of pursuing the phantasm of isolation and arming herself for imaginary battles, has taken the place which is still open to her in the comity of nations. On that day Russia will be trading once more on terms of amity and trust with other nations, and will be obtaining, not an odd million or two, eked out as bounty by some Government Department, but but the hundreds of millions of credit which she needs for her foreign trade freely offered to her by the merchants and traders of the world.

"Would it not be well for us in this country, seeing the magnitude of the issue at stake, to forbear from doing or saying things which will make that day more distant than it need be? Instead of antagonizing Russia by hard words, and forging one more link in the iron chain of restrictions which is dragging the European nations step by step along the road which leads to Collectivism; instead of refusing to buy something which we need, for the fancied satisfaction of depriving Russia of a resource, would it not be well, whenever we get the chance, to allow the softening influences of commercial inter-course to do their work in establishing common ground between us and a people with whom, in spite of all, we still share the bond of brotherhood?"

New Books

"Far Places"

"Far Places," by Dr. James Mackintosh Bell, is the reminiscences of a geologist practising his profession in the remote corners of the world. Like many eminent men of similar calling, Dr. Bell has had commissions that have made his life work truly international in character. Not only is Dr. Bell an outstanding geologist, a linguist, an artist and a writer, but he is also a keen observer, which enables him to perceive points of interest which might escape a writer less accomplished.

The first chapter of "Far Places," telling of the Northwest Territories, is of particular interest, owing to recent mineral finds at Great Bear Lake. Over thirty years ago Dr. Bell explored and commented on the mineral possibilities of the area and was actually wind-bound in Echo Bay, the site of the present exploration activities, for several days.

Of that immediate area he said: "The variegated mineral staining red, black, pink, white and green, gave scintillating reflections in the deep, transparent water and suggested a locality to lure the prospector." This was the first reference recorded indicating that the area had mineral promise. It was his first trip to Great Bear Lake that he made the acquaintance of and employed Charles Camsell, then a young graduate of the University of Manitoba, now deputy minister of mines of Canada. That meeting was the beginning of Dr. Camsell's service in the Geological Survey, the department he now heads.

On his mission to New Caledonia, Dr. Bell had the opportunity to travel the back roads to the nickel deposits which he was examining and in so doing encountered great personal danger from the degenerate tribes of the bush country. His experiences there emphasize the opportunities his calling gave for adventure, some of which were of too personal a nature for comfort.

In the Kirghiz Steppes he saw the Russian at work, developing the mineral resources before the war. His accounts of the polyglot population there cast an interesting light on the complications that face that country.

The closing chapters about his experiences in the tropics of Jamaica and in Albania following the great war make an interesting contrast, and leave one with the feeling that he has had a lesson in geography presented in a manner that will not soon be forgotten.

"Far Places" is published by Macmillan Co. of Canada, at Toronto.

"Stop Me If You've Heard This One"

On the first night of a new production, Oscar Hammerstein was heard to observe that a play is like a cigar.

"How's that?" asked a friend.

"Well, was the ex-cigarmaker's explanation, "if it's good, everybody wants a box; if it's bad, no amount of puffing will make it draw."

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Business Conditions in Canada

The Week in Business

Bank Branches Feel Effects of Barter Régime

Seeding Advances But Cool Weather Hampers Trade

Politics Dominate United States Outlook

WITH farm produce selling currently at prices which look more like 1832 quotations than post-war twentieth century figures, it is little wonder that the good old-fashioned habits of trade and barter are becoming the order of the day. Barter has always played a certain role in farm economy particularly in the exchange of dairy produce for groceries but there are probably very few merchants who have not within the past few months found themselves exchanging all manner of goods and services for the products of the farm. Just the other day in the good old city of Woodstock an optician did a 50-cent repair job on a pair of spectacles for a rural client and in payment he received four dozen eggs. A bag of sugar in the same city is said to be "worth" 22 bags of potatoes, and so on.

One group to feel this situation keenly is the branch offices of the Canadian chartered banks. Not only have their rural deposits been gradually drying up but their volume of business has undoubtedly been affected by the inability of rural customers to carry on business through the ordinary channels of trade. This is reflected in a perusal of the last chartered bank statement which shows that bank notes in circulation are currently at lower level than at any time since 1916. The all-time peak was in November, 1920, and was attained just a month or two after a corresponding peak in wholesale commodity prices in Canada. The high point was $253,577,000 and the current figure (representing the greatest amount of notes of the bank in circulation at any time during the month) is $138,331,000 or a drop of over 46 per cent.

* * *

REPORTS from Western Canada during the week continue to be encouraging. Wheat prices strengthened slightly and warm weather permitted seeding to be resumed so that Saskatchewan now reports 60 per cent of wheat seeding finished; Alberta 75 per cent and Manitoba 75 per cent. Wheat acreage is now estimated to be lower probably by 10 per cent than a year ago due in part to the lateness of the season, but this acreage will probably be given over to barley and oats, so that the total is not expected to be very much lower than a year ago.

Retail sales throughout the country have been retarded by cool damp weather and carloadings continue to reflect a movement of goods about 15 to 17 per cent below corresponding figures a year ago. Textiles and boot and shoe plants are the most active lines of manufacture in most parts of the country, while metal working plants, in spite of some business from automobile plants, continue to operate at very low levels. Gold mining continues to set up new high records but further declines in the prices of most other metals continue to be a discouraging feature of other branches of this industry.

Brighter prospects for Prince Edward Island are anticipated from the report that a company is in course of formation to merge practically all the important potato exporting concerns of the island, with the exception of the Potato Growers Association. The plan aims to finance growers for their fertilizer until the fall under a contract to accept potatoes in payment at a fixed minimum price. Uniform systems of grading and collective marketing are other objects.

* * *

IN THE United States, politics continue to hang like a heavy pall over the business situation, the Goldsborough bill to raise commodity prices to the 1926 level being illustrative of the type of inflative legislation which is feared not only by New York but by foreign countries. Many critical developments are shortly coming to a head there and in Europe so that the answers to many of the questions which now worry business and financial experts throughout the world, may perhaps be indicated within the next four or five weeks. At present the outlook continues cloudy.

SUGAR REFINERS OUTPUT LOWER FIRST QUARTER

Manufactures and Shipments Show Decline at April 23

From Our Own Correspondent

MONTREAL.—Canadian sugar refineries, from the beginning of the year to April 23, operated at a slightly lower rate of activity than in the same period last year. The decline is reflected in total manufactures and shipments, which are both somewhat lower than in the corresponding period of 1931.

Up to April 23, total sugar manufactured amounted to 141,327,647 lbs., compared with 165,536,570 lbs. to the same date last year, and shipments were lower by some 24,000,000 lbs. at 206,411,915 lbs. Decrease in shipments is largely due to a drop in domestic distribution which is off 23,000,000 lbs. at 204,558,880 lbs.

Reflecting the drop in shipments, stock on hand at the end of the period ended April 23, showed a gain totalling 109,900,812 lbs. against 71,353,729 lbs. in the previous year.

In the first quarter of the year to March 31, 1932, imports of raw sugar were increased, amounting to 134,392,900 lbs. compared with 121,378,100 lbs. in the first quarter of 1931.

Imports of refined sugar continued lower, totalling 480,300 lbs. in the first quarter of this year, as compared with 770,300 lbs. in the first three months of 1931. Exports, also, showed a sharp drop in the same period, totalling 1,550,000 lbs. against 2,405,900 lbs. in the first quarter of last year.

Problems of the sugar refiner have been accentuated by the further decline in raw sugar prices. Cuban raw sugar has been recently selling at 60 cents for 100 pounds which is only 40 per cent of the lowest pre-war price. Despite the low prices there is a slight improvement in the world position. The current crop has been more than 2,500,000 tons smaller than in the previous crop year and Cuba is making her smallest crop since 1915.

Canada's Seaports Get More Grain Business

Efforts made during the past year to ship as much Canadian grain as possible through Canadian seaports have resulted in a greatly increased percentage of total grain exports being so shipped. For the present crop year which ends in July, 90,839,326 bushels of Canadian wheat have been shipped via Canadian ports and 24,888,000 via United States ports as compared with 93,171,035 bushels via Canadian ports and 55,288,905 via United States ports for the whole crop year 1929-1930.

As navigation is now open on the St. Lawrence, it is expected that little Canadian wheat will be exported from United States ports between now and July.

Vancouver is responsible for almost all of this increased business, her exports for the nine months of the present crop year being 59,943,945 bushels as compared with 49,701,739 bushels shipped through that port during the entire crop year 1929-1930.

Warm Weather Would Help Business

	Canada	United States
Commodity Prices:	Wholesale price level at new low mark of 68.4 in April.	Wheat, sugar and coffee show signs of recovering at end of past week.
Iron and Steel:	Automobile needs expected to maintain activity until midsummer.	May looks like best month for auto output—steel operations hold at 25%.
Foreign Trade:	Irish Free State opened for first time as market for Canadian bacon.	U. S. exports to Asia show nearly 10% gain in first quarter of 1932.
Employment:	Textile plants continue to offer best employment in cities.	Some improvement noted especially by makers of hosiery, knit goods, rubber products.
Carloadings:	Total loadings week ending April 30 17.5% below 1931; cumulative total off 13%.	Traffic volume continues at 25% below last year's level.
Foreign Exchange:	Canadian dollar weaker while sterling makes slight gain.	Exchange rates continue against New York—earmarking of gold continues.
Stock Markets:	Trading dull; French elections have little effect as yet.	Bond market shows some recovery. Hoover attack on Congress helps stocks.
Week's Highlight:	West makes good progress with seeding; warm weather needed to stimulate trade and agriculture.	Europe shows alarm at inflation implications contained in Goldsborough price-raising bill.

Small Tonnage Gain By New Welland Canal

Prospects for Material Increase in Near Future Seen Somewhat Remote, However, Study Shows

Representing an investment, without accrued interest, of $122,500,000, the new Welland Ship Canal completed its first year of operation with the closing of navigation in December, 1931. This mammoth undertaking, in which is invested more than in all the rest of the canals in Canada put together, takes the place of the old Welland Canal, completed in 1887 and maintained to 1930 on a total capital expenditure of $30,000,000. The original canal between Lake Ontario and Lake Erie was opened for navigation in 1829.

Completion of this new canal with locks of 550 feet in length means that upper lakes boats whose former terminii were Buffalo and Port Colborne are now enabled to enter Lake Ontario and load or unload in the docks of the cities of Ontario, namely Hamilton and Toronto. While the minimum depth of the new canal is 25 feet, 7 feet of this is as yet of no commercial value as the St. Marys River canal between Lakes Superior and Huron has a minimum depth of approximately 18 feet. Supporters of the St. Lawrence waterways scheme now see the stage set for the completion of that project and an all-water route for ocean going vessels to Port Arthur, Fort William, Chicago and Duluth.

Iron ore for the steel and iron works of Hamilton was previously shipped from the United States through the upper lakes to Point Edward on lower Lake Huron and then by rail to Hamilton. New docks for the handling of this freight were erected at Hamilton in 1931 and it is now practicable to ship this coal and ore direct to Hamilton. The results from this change of route are shown in the figures for down-bound traffic to Hamilton in 1931 and 1930, the totals being 1,342,127 tons and 697,109 tons respectively. Construction of grain elevators at Toronto and Prescott and additions at Kingston increased the traffic to these ports.

While business conditions naturally affect the amount of freight carried by lake boats it is interesting to compare the tonnage passing through the new canal in 1931 and the old canal in 1930. Total tonnage in 1931 was 6,801,570 carried on 4,830 vessels as compared with 6,087,910 tons on 5,252 vessels in 1930, an increase of 784,281 tons though there is a drop of 432 in the number of boats. Also, of the 1931 tonnage, 1,248,901 tons, or 17 per cent, was carried on boats which would have been unable to get through the locks of the old canal.

Results of the Panama Canal, completed duirng the World War with its consequent lack of shipping at a cost of $388,000,000, may serve as a basis of comparison. In its first complete year of operation, the Panama Canal was used by 1,075 boats with a total cargo tonnage of 4,888,454. This tonnage had increased to approximately 10,000,000 in 1921 and reached a high point of 30,663,006 tons carried by 6,413 vessels in 1929. It would take an optimistic person, however, to predict such results for a canal, the chief usefulness of which is to extend the range of the large boats of the upper lakes to Lake Ontario and thereby give business to Lake Ontario ports at the expense of ports on Lake Erie and the country's railroads.

Spring Output Boots, Shoes Up 10 Per Cent

Leather footwear production in Canada in the first quarter of 1932 made a 10 per cent gain over the corresponding period of 1931. The respective totals were 4,390,000 and 3,992,000 pairs.

These returns are based on reports from 182 factories out of a total of 186 reporting to the Dominion Bureau of Statistics. Of this total 107 plants are in Quebec, and 65 in Ontario. Production in March amounted to 1,720,200 pairs which is within 9,722 pairs of the March, 1931, figure. Total production for February and March combined is higher than in any corresponding months since 1928.

Comparative figures for the past 27 months are as follows:

Production of Boots and Shoes in Canada, by Months

	1930 Pair	1931 Pair	1932 Pair
January ..	1,233,321	984,924	1,112,192
February ..	1,446,610	1,276,965	1,558,413
March	1,594,865	1,729,930	1,720,208
April	1,574,405	1,669,917	
May	1,524,938	1,740,792	
June	1,398,444	1,576,449	
July	1,414,872	1,456,822	
August ...	1,542,686	1,627,006	
September .	1,615,859	1,672,437	
October ..	1,552,392	1,554,144	
November .	1,124,798	1,254,696	
December .	1,064,192	1,133,534	

Flour Output Drops in First Two Months

From Our Own Correspondent

MONTREAL.—Further reduction in output and export of flour in Canada during the first two months of the current year are revealed in figures published by the Government. Total output of flour in January and February, 1932, was 1,693,315 barrels, compared with 2,121,655 barrels in the same period in 1931. Mill operations were undertaken at a new low rate of capacity, activity being conducted at 31.3 per cent in February as against 37.3 per cent in February, 1931.

Exports in the first two months of this year totalled 689,319 barrels compared with 807,029 barrels in the same period last year.

Representatives of Canada's leading milling companies recently held an all-day session in Montreal, the occasion being a regular meeting of executives of the Canadian National Millers Association. Details of subjects under discussion were not made public, though it is expected that the forthcoming Imperial Conference and its relation to the flour milling industry, had a place on the agenda.

Cream Exports to U.S. Increase Despite Duty

Exports of cream to the United States, which have averaged only about 5,000 gallons a month since the imposition of a duty of 56.6 cents a gallon more than a year ago, show a surprising increase in March to 10,841 gallons valued at $23,907 as compared with 4,855 gallons at $10,992 in February and 4,696 gallons at $9,126 in March, 1931.

For the twelve months ended March 31, 1932, the value of cream exports reflects the high duty, for in that period the value was $129,285 as compared with $2,168,849 in the previous year. Cream was formerly on the United States free list and the value of exports two or three years ago was close to $8,000,000 a year.

N. S. Butter Production Gains

Nova Scotia creamery butter production showed an increase in 1931 over 1930 greater than any province in Eastern Canada, the percentage increase being 24.5.

FEDERAL STATUTE WOULD BAR U.S.A. IN LAKE SHIPPING

New Legislation Would Have Widespread Effect on Grain Trade

In an attempt to obtain a monopoly for Canadian grain shipments through the Great Lakes to the exclusion of United States shippers a bill was introduced last week in the House of Commons by Hon. Alfred Duranleau, Minister of Marine, and received its first reading.

Under this bill, which was discussed in The Financial Post March 12, only British ships or those owned by corporations in which 75 per cent of the stock is held by Britishers, will be allowed to engage in Canada's coastal trade. Also, it will no longer be possible for Canadian grain to be brought through the Upper Lakes to Buffalo and there transshipped to United States boats for its voyage through the Welland Canal to the seaboard. This latter provision is similar to one applicable to United States shippers under their laws.

The first clause of the bill regarding the 75 per cent ownership by Britishers is framed to attack United States concerns which have become Canadian corporations by simply being incorporated in Canada although all the stock is owned in the United States.

Opponents of the bill contend that if it becomes law a large amount of grain which is now shipped to Buffalo and then by United States ships to Montreal and the seaboard will find an outlet through New York and that, therefore, Canada will lose port and elevator charges. They also see the possibility of freight rates being raised owing to the virtual monopoly by Canadian shippers, though in this regard Hon. Alfred Duranleau assured the house that: "If, through this legislation, the rates are made too high, we will remedy them."

MARCH BANK DEBITS DECLINE 21.3 P. C.

Increases Are Confined to Edmonton, Winnipeg and Vancouver

Bank debits in the clearing centres of Canada were $2,024,000,000 in March, the grain over February being considerably less than the normal gain for the season. This figure compares with $2,570,000,000 in the same month of 1931, or a decline of 21.3 per cent, only Winnipeg, Regina and Edmonton among the 32 clearing centres of the Dominion showing increases. According to one bank official the chief reason for increases in these cities was the provincial bond flotations which took place in March.

After seasonal adjustment, increases were recorded in Quebec and the Maritimes in March over the preceding month. The Quebec total for March was $638,300,000, a gain after adjustment of over 10 per cent and the Maritimes total was $41,237,000, being a gain of 0.4 per cent. Ontario bank debits totalled $861,300,000, a decline after adjustment of 7.4 per cent while the Prairie Provinces showed a decline of 8.4 per cent and British Columbia a decline of 4.4 per cent.

Compared with March, 1931, gains were confined to the Prairie Provinces which showed an increase of 6.8 per cent, the gain in Winnipeg being 12.4 per cent. Debits in the Maritimes were off 22.1 per cent, Quebec 29.8 per cent, Montreal showing a decline of 30.7 per cent, Ontario debits were 22.8 per cent less than March, 1931, Toronto being down 26.3 per cent while British Columbia declined 19.4 per cent.

Business Briefs

Refined Sugar Shipments from Canadian refineries in the four weeks ending April 23 totalled 55,229,000 lbs. as compared with 66,000,000 lbs. in the same period a year ago and 52,838,000 lbs. in the previous four weeks. Sugar manufactured during the period showed a seasonal drop from 52,000,000 lbs. to 36,000,000, the latter figure comparing with 42,400,000 lbs. in the corresponding period of 1931.

Wheat Exports for the week ending April 28, totalled 4,175,000 bu. as compared with 4,049,000 the previous week. In the same week a year ago 6,511,000 bu. were shipped. Montreal shipments exceeded Vancouver by a slight margin.

Canadian Wheat Stocks in store at Canada and U. S. points declined 4,500,000 bu. for the week ending April 29 to 164,270,000. This compares with 155,864,000 in the same week a year ago.

Car Loadings maintained within 53 cars the steady level of the past five weeks at 41,742 cars for all Canada. The Dominion Bureau index dropped from 72.58 to 72.47. Merchandise loadings showed an increase in both east and west but the Bureau's index dropped, the gain being less than seasonal.

CUT TOBACCO GAINS CIGARETTES DECLINE

Figures for First Quarter Show More Cigars Marketed

From Our Own Correspondent

MONTREAL.—Gains in marketing of cut tobacco and cigars, but further declines in the number of cigarettes entered for consumption in the first quarter of 1932 are features of Government statistics covering the first three months of the current year. In cut tobacco there was marketed 3,831,708 pounds, compared with 3,593,502 pounds in the first quarter of 1931, a gain of 238,206 pounds, and a reflection of the steady trend away from cigarettes to use of cut tobacco in the past year or two.

In the first quarter of 1932 the number of cigarettes entered for consumption totalled 864,157.312. This compared wih 996,492,285 in the first quarter of last year or a decline of 132,334,973.

Figures covering the marketing of cigars show improvement. In the first quarter, 25,408,358 cigars were entered for consumption compared with 24,894,571 in the first three months of 1931. Though this represents a gain of some 514,000 it is well below the figures for the same period in 1930.

MARCH AUTO SALES BELOW YEAR AGO

Quebec Sales Gained But Ontario Much Lower

March sales of new passenger automobiles in Ontario and Quebec totalled 3,199 as compared with 4,641 in the same month of 1931, according to a compilation made by Might's Directories, Ltd. and published in Canadian Automotive Trade. Sales in Ontario have dropped drastically except in the cases of Plymouth, De Soto and Dodge, the totals being 1,766 in March, 1932 and 3,997 in March, 1931. Quebec, on the other hand, records gains in almost every type of car with totals of 1,433 in 1932 and only 644 in 1931, the most notable increases being in the sales of Chevrolet, McLaughlin Buick, Dodge, Pontiac and Plymouth.

Total sales for the first three months of the year in Ontario and Quebec at 5,807 are considerably below the figure of 8,357 for the first three months of the previous year. Plymouth, Dodge, De Soto, Studebaker and McLaughlin-Buick record gains as compared with the first quarter of 1931, the largest percentage gains being in Quebec. Comparison of the sales of the popular, lower-priced cars in Ontario and Quebec for the first three months of 1932 and 1931 are as follows:

New Car Sales, Ontario and Quebec (Three Months Figures)

	1932	1931	Increase
Chevrolet	2,001	2,276	— 275
De Soto	176	103	+ 73
Dodge	215	127	+ 88
Durant	134	221	— 87
Essex	110	402	— 292
Ford	866	2,121	—1,255
McLaughlin	532	484	+ 48
Oldsmobile	163	229	— 66
Plymouth	253	169	+ 84
Pontiac	402	772	— 870
Studebaker	180	173	+ 7
Willys	142	256	— 114

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	Weekly Latest 1931	Cumulative Jan. 1 to date 1932	Cumulative Jan. 1 to date 1931
Transportation—				
Car Loadings (Apr. 30) ...	41,742	50,607	699,988	802,205
C.P.R. gross earn. (Apr. 30)	$ 3,105,000	$ 3,889,000	$ 37,626,000	$ 46,962,000
C.N.R. gross earn. (Apr. 30)	$ 3,612,949	$ 4,869,579	$ 46,064,388	$ 57,434,988
	Monthly			
C.P.R. net earn. (Mar.) ...	$ 1,170,502	$ 1,335,700	$ 2,017,415	$ 2,465,246
C.N.R. net earn. (Mar.) ...	$ 558,604	$ 780,938	$ ‡618,946	$ 98,461
Iron and Steel—				
Pig iron, tons (Mar.)	17,989	57,100	38,801	139,097
Steel, tons (Mar.)	43,572	99,341	97,101	239,576
Automobiles prod. No. (Mar.)	8,318	12,993	17,526	29,353
" exports, No. (Mar.).	567	1,853	1,498	6,544
Construction—				
Building Permits (Mar.)	$ 3,323,602	$ 9,948,979	$ 8,664,128	$ 24,746,094
Contracts (Apr.)	$ 10,112,900	$ 22,707,500	$ 48,420,500	$ 96,248,500
Newsprint—				
Production, tons (Mar.) ...	166,758	192,274	490,330	539,899
Exports, tons (Mar.)	171,650	200,545	487,008	498,143
Sugar—				
Imports, raw, lbs. (Mar.)...	98,038,500	54,691,800	134,392,900	121,378,100
Manufactured, lbs.*	35,879,441	42,356,145	§141,327,647	165,536,570
Flour—				
Production, bbls. (Mar.) ...	1,053,770	1,168,408	2,747,085	3,290,068
Wheat flour exp., bbls. (Mar.)	414,779	560,558	1,084,098	1,367,582
Other Industrial Indices—				
Lumbering: Plank & board exports mill ft. (Mar.) ...	77.55	94.46	191.85	223.89
Boots & shoes, pr. (Mar.)..	1,720,208	1,729,930	4,390,813	3,991,819
Petroleum, imp. crude, gal. (Mar.)	67,635,135	71,296,619	188,946,525	191,967,859
Cotton, imp., raw, lbs. (Mar.)	10,212,000	10,837,000	23,814,000	26,378,000
Rubber, raw, imp., lbs. (Mar.)	5,796,594	6,747,761	13,567,283	14,891,947
Coal, imports, tons (Mar.) ..	711,522	815,429	1,849,851	2,438,864
Trade—				
Imports (March)	$ 57,437,184	$ 75,380,878	$ 127,137,776	$ 176,748,280
Exports (March)	$ 39,749,307	$ 55,048,197	$ 114,547,061	$ 143,538,762
Wheat exports, bus. (Mar.).	9,921,634	12,995,567	29,292,343	32,901,022
Labor—				
Employment Index (Apr.) .	87.5	99.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Mar.)...	1,402,656	1,417,558	4,150,755	4,245,266
Finance—				
Failures, No. (Feb.)	221	188	459	428
Failures, Liabilities (Feb.)..	$ 3,650,728	$ 4,789,701	$ 7,711,728	$ 8,760,380
Bank Debits† (Mar.)	$ 2,024,038	$ 2,570,411	$ 6,085,118	$ 7,773,649
Bond sales (March)	$ 35,667,127	$ 43,302,612	$ 102,854,282	$ 190,562,188
Insurance sales (March) ...	$ 37,467,000	$ 46,945,000	$ 112,943,000	$ 128,313,000
Automobile Financing:				
Used cars (Mar.)	$ 917,539	$ 1,653,402	$ 2,531,703	$ 4,380,306
New cars (Mar.)	$ 1,036,442	$ 1,889,774	$ 2,396,854	$ 3,720,330

*Four weeks' period, Apr. 2 to Apr. 28. §Jan. 1 to Apr. 23.
†(000's omitted). ‡Deficit.

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CANADIAN BRONZE PLANTS WORKING ON FAIR VOLUME

Improvement Must Wait for Betterment in Traffic

From Our Own Correspondent

MONTREAL. — Plants of Canadian Bronze Co. are reasonably well occupied with work at the present time though lessened traffic activity on the railways naturally tends to restrict operations. The company, however, in its capacity of "servicing" rolling stock of both roads obtains a substantial share of what business there is offering and so long as trains are operated, plants of Canadian Bronze must care for their requirements in replacements.

In Alberta, business is quite active owing largely to the more satisfactory crop which was harvested in that province last year. But generally speaking, the company's activities are closely co-ordinated with those of the Canadian railways and until traffic conditions improve a marked betterment in the situation surrounding Canadian Bronze can hardly be looked for.

Costs Are Reduced

Costs have been cut and in view of the staple backlog of business offering it is unlikely that earnings will vary to any great degree from those of last year. In that period net profit, after sinking fund requirements, was equal to $1.66 a share. This was not sufficient to cover the dividend rate of $2.50 formerly in effect but the distribution was cut to $1.25 early this year.

Raw copper prices have continued to decline which tends to affect the company adversely. The drop in metal values worked against Canadian Bronze last year and as yet there has been no evidence of improvement in the market for this commodity. Inventories at the end of 1931 were valued at $384,818; stocks being taken on a conservative basis, according to the president's statement to shareholders which accompanied the annual report.

LANGLEY EARNS $6.81 PER SHARE ON PREFERRED

Compares With $14.47 in 1930; Working Capital Maintained

With a slight increase in net profit from operations and a small decrease in revenue from other sources, Langley's Ltd. shows net earnings of $94,021 in 1931 as compared with $93,982 in 1930. Net earnings are shown before depreciation which has been previously deducted in former years. The company operates a cleaning and dyeing business in Toronto. Provision for depreciation of $48,897 and income tax of $3,848 caused the company to draw on surplus to the extent of $1,126 to pay preferred dividends of $42,000. The company earned $6.81 per share on the 6,000 shares of $100 par value preferred stock, compared with $14.47 in 1930.

Working capital position was improved through reduction of reserve for income tax. In current assets, cash is down to $12,438 from $20,262; bonds and debenture up to $80,366 from $78,303; receivables, after reserves, are up to $36,550 from $27,844 and inventories at $42,120 compare with $44,742 in 1930. Accounts payable show little change at $32,543. Comparison of working capital position at Dec. 31, 1931, and 1930, is as follows:

	1931	1930
	$	$
Current assets	171,474	171,151
Current liabs.	37,116	40,656
	134,358	130,495
Ratio	4.62—1	4.21—1

Investment in land, plant, buildings and equipment is carried at $1,292,125, increase of $32,000 over 1930, while depreciation reserve has been increased to $218,538 from $174,723. Life insurance is carried at $23,365 and deferred charges at $8,378. Mortgage payable remains at $2,500. In addition to the preferred stock, there is 20,793 common shares outstanding carried at $219,032 while capital surplus is $281,912 and earned surplus is $136,244.

Consolidated income and surplus account for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Net oper. profit	88,408	†87,725
Add: Misc. income	5,613	6,257
Net earnings	94,021	93,982
Less: Depreciation	48,897	....
Int. and exchange	402	....
Income tax	3,848	7,190
Net profit	40,874	86,792
Less: Pref. divds.	42,000	42,000
Surplus for year	*1,126	44,792
Add: Prev. surplus	141,550	98,811
Profit on secs. sold	....	1,057
Less: Adjustments	4,180	3,110
Surplus forward	136,244	141,550

*Loss. †After depreciation.

WHEAT AND WOOL IMPROVE OUTLOOK

But Australia Worried by Budget, Employment Problems

Despite excellent wheat and wool prospects and a continued readjustment in all lines of activity, unemployment and budgetary problems still retard any important renewal of confidence in Australia, according to radiogram reports to Washington.

Excellent planting conditions prevail in the Australian wheat belt and exporters are finding orders for the present surplus satisfactory, almost one half being already committed, total exports being in the neighborhood of 77,000,000 bushels. There has been a continued demand from the Orient.

Although wool prices are from 5 to 10 per cent lower than a year ago another bumper clip will balance this loss of revenue. Wool receipts to the end of March totalled 2,600,000 bales of which all but 400,000 bales have been sold, a good demand coming from the United Kingdom and Japan with Germany also in the market.

Exchange difficulties have severely handicapped automobile imports, and high prices resulted in the proposed Melbourne automobile show being cancelled. Registrations in the State of Victoria declined 27 per cent in February and March as compared with a year ago.

Rhodesian Premier Is Coming to Ottawa

Will Be Lone Figure as Country Lacks Dominion Status—South Africa's Third Delegate is Fourie

By JOHN A. STEVENSON

FOURIE

A third member* of the South African delegation to the Imperial Economic Conference will be Hon. A. P. J. Fourie and his name betokens that he is descended from one of the Huguenot families which, rather than forswear their religion after the Edict of Nantes, fled first to Holland and then joined contingents of Dutch people who were emigrating to South Africa. Many people hold that there is no better stock in South Africa and to the country's honor roll of distinguished figures it has made a contribution out of all proportion to its numbers as the names and careers of General Botha, Lord De Villiers, General Joubert and General Delarey can bear witness.

Mr. Fourie was born in the Cape Colony, and, after he had received a reasonably good education, took up the teaching profession as a career. In his early twenties he moved northward and became a citizen of the South African Republic where he was in charge of a school when the Boer War broke out. He promptly enlisted with one of the Transvaal commandos and saw a good deal of fighting before he was captured and sent as a prisoner of war to St. Helena. But, unlike Napoleon, his illustrious predecessor on this lonely isle, he was destined to see his native land again and on being released at the end of the war, he returned to the Cape province and decided to change his profession. Having qualified for the local bar, he settled down to practise law in the town of Somerset East and not only acquired a good practice but became recognized as one of the town's leading citizens. It was as its mayor that he first entered public life and then he graduated into the field of provincial politics.

Becomes Administrator

In provincial politics, Mr. Fourie at once made his mark and in 1926 he was appointed administrator of the Cape Province, a post which corresponds to the premiership of a province in this country. Like his two colleagues in the South African delegation, he could not shed his bitter memories of the Boer War and follow Louis Botha in the policy of reconciling the two races. As administrator of the Cape, he worked hand in hand with Hertzog and took a racialist attitude on education and other problems. In 1929, however, having become a leading figure on the Nationalist party, he was encouraged by Hertzog to move into the federal field of politics and, having been elected Nationalist member for the Gordonia division, he was immediately afterward brought into the cabinet as Minister of Mines and Industries. He has held this office for the last three years and in view of the importance of the mining industry in the country, it is one of the most influential in the cabinet.

Operates Diamond Mines

It is Fourie who has been responsible for the policy of operating as a state enterprise the rich new diamond fields discovered in Namaqualand and naturally he is no favorite with the shareholders of the great De Beers Corporation, which as the result of the flooding of the market with diamonds from the new field has been compelled to pass its dividends and cease operating its mines at Kimberley. Fourie is also a firm protectionist and has consistently exerted his influence to stimulate South African local industries by higher tariffs. But at the conference he is likely to be as much interested in the discussions on the currency question as in tariffs for, if the conference were to make a real effort to establish a common Imperial currency, divorced from gold or on a bimetallist basis, South Africa, as the world's largest producer of gold, would want to have attention paid to the economic consequences on its fortunes. So far Fourie has stood firm with the rest of the Hertzog cabinet in defending the policy of keeping South Africa on a gold basis against the attacks of General Smuts and most of his party but it is understood that he has great misgivings about its wisdom and was largely instrumental in promoting the plan, now adopted, of referring the matter to a parliamentary committee for investigation and report.

He is not without experience of the work of an Imperial Conference for he accompanied General Hertzog to London in 1930.

MOFFAT

The writ of the South African Government does not run north of the Limpopo River. Southern Rhodesia, populated mainly by people of British blood and fearful of Dutch domination, has steadfastly rejected various offers to throw in its lot with the Union and become one of its provinces. At present it is politically at a sort of halfway stage toward Dominion status; it is classified as a self-governing colony and has a legislature clothed with full local responsibility but it has no control over its foreign affairs. It is not admitted to a seat at the council board of the regular Imperial Conferences but it has successfully claimed the right to be represented at the Economic Conference and is sending a small delegation consisting of its premier, the Hon. Howard Unwin Moffat, C.M.G., and one of his officials.

It is peculiarly appropriate that a man of Mr. Moffat's lineage should be Premier of Southern Rhodesia; he is a grandson of Dr. Robert Moffat, the courageous Scottish missionary, who at the middle of last century established a mission station at Kuruman, in the Bechuanaland desert, but who is chiefly known to fame by the fact that the great explorer, David Livingstone, whom he had initiated into mission work in South Africa and in the romance of exploration, was his son-in-law. The Hon. Mr. Moffat is a son of the Rev. J. S. Moffat, another missionary who was one of Dr. Moffat's sons, and he is therefore a nephew of David Livingstone, who had several close kindred in Canada.

In Exploration Company

Howard Moffat, who was born in 1869, was sent for his education to St. Andrew's College at Grahamstown, one of the best educational establishments in South Africa. When he left it he joined the staff of the Standard Bank of South Africa, but one of the blood of Livingstone was not likely to be happy at a bank desk, and so in 1889 young Moffat took service with an organization known as the Bechuanaland Exploration Co., which had been formed to trade in the country so well known to his father and grandsire. He was sent to prosecute the company's business in the country ruled by Khama, a famous native king who was a loyal ally of the British and in the early nineties he accompanied an expedition into Matabeleland headed by Colonel Goold-Adams. Through it he first saw the country which he was destined to rule as Premier, but the time had not come for its permanent white settlement and he went back to his work in Bechuanaland.

Before he was 30, he had risen to be general superintendent of the Bechuanaland Exploration Co. with full charge locally of its enterprises but in 1896 the outbreak of the Matabele Rebellion called every white man in the vicinity to arms and Moffat served through it with distinction as a lieutenant in a mounted corps known as Gifford's Horse. When the rebellion was quelled, he decided to leave the desert country and settle in the more fertile Rhodesia, but there was another war to fight before South Africa could attain peace and he took part in the Boer War as a member of Plumer's column which came down from the north.

Prosperous Merchant

At the end of the war he settled down in the town of Salisbury as a merchant and prospered and in 1920 when Southern Rhodesia was given a constitution and a legislature he was elected member for the Victoria division. In every sense an old-timer, his varied experience of the country and its problems and his debating powers soon brought him to the front in the legislature and in 1923 he was made Minister of Mines and Public Works. Then when in 1927 Sir Charles Coghlan gave up the premiership, Moffat was acclaimed by everybody as his logical successor and he also took over the portfolio of Native Affairs. At the Conference he will not exercise any decisive voice and he will chiefly be interested in securing preferences for Rhodesian tobacco and watching developments about the question of the gold standard.

*Last week's article described Hon. N. C. Havenga and Hon. Piet. G. W. Grobler.

Grain Handlings Gain at Port of Montreal

From Our Own Correspondent

MONTREAL. — Grain handlings at the Port of Montreal up to May 9, showed an improvement over last year. Total of grain received to that date was 10,479,176 bushels compared with 8,807,927 bushels at same adte last year. Deliveries amounted to 11,618,469 bushels contrasted with 9,400,446 bushels in 1931.

Some delay in arrival of lake boats was entailed through a leakage in the Lachine Canal, which held up traffic. The trouble has now been repaired, and ships are moving freely down the canal to Montreal Harbor.

NO DIVIDEND RAISE FOR McCOLL OIL YET

Increase Considered But Action Deferred for Time Being

From Our Own Correspondent

MONTREAL. — That the question of increasing the dividend on the common stock of McColl-Frontenac Oil Co. had been considered, was admitted by John Irwin, president of the company, at the annual meeting of shareholders, but he stated, any action along these lines would be deferred for the present. The remark was elicited by a shareholder who pointed out that present common dividends had been earned three times over in the past fiscal year.

The meeting was also told that income received from investments during the past fiscal year totalled $21,092. The company's income account does not segregate this revenue and showed a combined profit from operation and income from investment of $3,370,186. This compared with $2,449,546 in the previous year.

J. M. Pritchard, vice-president in charge of sales, was added to the directorate, with an increase in the board from seven to ten members. In addition to re-election of members of the old board, two nominees were elected to act until such time as the directorate is completed.

Shareholders also ratified a by-law empowering the company to purchase shares on the open market for resale to employees. The by-law stipulates that not more than 30,000 shares may be held in such trusts at any one time.

With better crop prospects in the west, and gratifying reports from the mining districts, President Irwin felt 1932 would be a favorable year for McColl-Frontenac Oil Co.

Position of Chartered Banks of Canada as of March 31, 1932, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	33,816,506	19,766,592	....	4,144,473	138,175,546	388,443,435	69,757,445	2,252,631	899,201	9,077,915	190,999
Nova Scotia	11,889,664	7,893,484	....	409,917	27,131,454	128,657,510	31,784,963	1,993,793	386,650	2,352,846	31,727
Toronto	6,105,419	1,013,955	....	942,397	21,706,494	64,651,378	....	576,167	98,036	1,044,940	....
Provinciale	3,523,958	2,928,273	....	25,628	4,701,103	32,879,449	....	80	....	26,509	....
Commerce	24,037,311	7,404,040	....	4,367,292	109,910,058	181,595,372	39,040,655	1,400,169	667,553	12,297,326	53,689
Royal	30,061,684	30,653,003	25,000,000	5,365,400	127,140,778	271,599,342	164,748,625	961,978	313,102	27,241,998	1,570,490
Dominion	6,080,900	4,522,206	....	530,187	25,987,562	64,460,297	1,502,124	416,762	646,497	1,087,555	....
Nationale	8,918,669	4,509,715	7,000,000	1,200,367	17,873,905	85,276,868	1,287,808	583,916	24,756	438,356	....
Imperial	7,867,550	7,299,255	....	3,980,707	26,945,616	70,289,177	....	1,871,753	374,060	1,648,889	....
Barclays (Canada)	266,355	121,764	....	....	903,746	660,895	....	81,027	2,415,045	1,383,816	....
Total	132,568,016	86,112,287	32,000,000	20,966,368	500,476,262	1,388,522,723	308,121,620	10,138,276	5,824,000	56,600,150	1,846,815

NAME OF BANK	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorised	Capital Subscribed	% Last dividend	Loans to Directors and firms of which they are partners*	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	7,783,697	1,710,372	30,108	38,000,000	36,000,000	750,048,926	50,000,000	36,000,000	12	3,276,552	23,316,731	49,590,046	35,282,045
Nova Scotia	4,648,490	182,349	482,348	24,000,000	12,000,000	253,845,201	15,000,000	12,000,000	16	2,637,492	9,197,281	9,031,393	12,382,644
Toronto	913,065	120,775	4,114	9,000,000	6,000,000	112,176,742	10,000,000	6,000,000	12	1,452,659	370,813	4,228,542	6,333,744
Provinciale	16,020	51,499	8,615	1,500,000	4,000,000	49,661,141	8,000,000	4,000,000	9	706,464	245,714	395,736	3,731,073
Commerce	11,606,343	....	26,957	30,000,000	30,000,000	562,406,771	50,000,000	30,000,000	12	6,565,477	12,196,000	19,525,000	25,427,070
Royal	23,959,730	327,011	49,240	35,000,000	35,000,000	768,992,296	50,000,000	35,000,000	12	3,694,025	12,014,277	9,616,380	31,190,445
Dominion	1,390,018	517,053	211,179	9,000,000	7,000,000	123,361,346	10,000,000	7,000,000	12	1,621,753	1,003,000	3,565,000	6,270,988
Nationale	216,471	....	5,717	7,000,000	7,000,000	141,336,553	10,000,000	7,000,000	10	644,373	908,081	1,346,245	9,108,034
Imperial	413,807	....	1,766	8,000,000	7,000,000	135,692,584	10,000,000	7,000,000	12	229,373	482,950	4,571,830	8,229,1[illegible]
Barclays (Canada)	212,343	....	....	500,000	500,000	7,044,994	500,000	500,000	......	....	11,921	132,862	275,085
Total	51,159,984	2,909,059	820,044	162,000,000	144,500,000	2,904,566,554	210,500,000	144,500,000	......	20,828,168	59,746,768	102,003,034	138,331,308

*And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	22,698,545	55,422,771	2,953,591	236,937	20,664,418	2,940	3,741,092	21,656,523	161,729,503	49,137,947	10,529,455	6,755,166	23,122,703
Nova Scotia	9,204,974	7,705,672	876,414	1,713,746	6,416,700	....	1,160,230	3,551,278	36,428,729	16,611,742	9,543,677	13,088,070	5,973,635
Toronto	383,071	4,592,404	453,890	20,520	4,119,169	....	351,492	997,489	25,348,097	7,016,956	2,245,422	5,254,935	....
Provinciale	261,027	453,140	416,505	13,627	1,383,510	1,307,052	847	100,909	8,020,212	5,741,084	3,597,158	5,992,508	....
Commerce†	11,465,210	15,973,871	1,756,100	1,251,305	19,474,180	22,815	511,178	15,734,890	93,072,680	20,844,657	15,660,969	23,424,288	26,298,100
Royal‡	12,238,180	22,356,969	2,649,915	11,040,498	17,836,347	1,670	1,689,735	39,872,482	74,980,893	24,496,032	11,974,869	36,178,548	30,613,528
Dominion	1,011,852	4,068,418	637,875	29,750	3,536,375	....	97,662	1,066,958	19,010,835	4,247,514	2,874,690	12,343,460	2,126,023
Nationale§	941,368	1,377,321	665,515	53,167	3,051,114	413,048	13,211	496,759	23,636,614	9,486,900	3,656,331	9,078,194	....
Imperial	484,748	4,908,767	656,490	18,041	5,896,392	603,243	448,704	1,937,925	23,681,115	7,067,262	276,694	8,505,773	....
Barclays (Canada)	13,222	74,870	8,765	662	182,562	1,186,890	2,382,000	53,046	489,835	123,227	30,850	93,600	....
Total	58,702,197	116,934,203	11,075,060	14,378,253	82,560,767	3,537,658	10,396,515	85,468,259	466,398,513	144,773,321	60,390,115	130,714,542	88,133,989

NAME OF BANK	Other current loans in Canada	Other current Loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	251,328,339	21,875,475	18,139,722	48,964,602	3,097,547	405,347	1,338,553	14,500,000	7,783,697	1,692,109	6,000,000	414,218	57,651	754,248,882
Nova Scotia	92,480,246	14,256,704	2,511,901	14,498,047	635,382	....	112,843	8,177,078	4,648,490	570,273	2,000,000	2,697,618	112,717	254,976,177
Toronto	50,013,763	....	....	6,600,154	225,166	....	69,047	3,822,751	913,065	297,673	630,866	....	....	113,355,936
Provinciale	17,847,160	....	....	1,384,029	158,270	439,147	494,083	2,193,786	16,020	198,500	....	....	192,516	50,211,097
Commerce†	195,160,504	21,717,662	10,797,249	37,000,083	2,458,124	2,335,165	2,046,202	15,322,464	11,606,343	1,250,000	8,000,000	3,891,704	297,825	567,373,581
Royal‡	282,336,912	129,825,602	3,963,045	14,509,397	3,201,417	2,278,265	907,058	17,483,509	23,959,730	1,700,000	2,500,000	6,027,099	427,761	775,049,474
Dominion	58,463,885	1,007,381	....	4,372,857	481,641	59,061	16,596	6,030,855	1,390,018	337,425	500,000	....	125,998	123,837,128
Nationale§	60,052,759	79,053	8,255,879	10,219,734	263,826	1,103,885	792,582	5,981,160	216,471	355,283	2,200,000	....	94,685	142,484,880
Imperial	60,668,274	....	325,444	11,599,591	408,065	161,399	494,425	6,321,917	413,807	421,095	1,800,866	....	177,613	137,277,600
Barclays (Canada)	2,162,078	....	....	....	25,803	....	....	....	212,343	11,424	....	....	....	7,051,181
Total	1,070,513,920	188,761,877	43,993,240	149,148,494	10,955,241	6,782,269	6,271,389	79,833,529	51,159,984	6,833,782	23,631,732	13,030,639	1,486,766	2,925,865,98[illegible]

Column No. 26. Of this deposit $10,681,732 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

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"The Financial Post" Editorial April 16, 1932 Issue

SPENDING MONEY TO MAKE MONEY

EVEN in times of depression, it is possible for companies, and for that matter for governments, to make investments that are thoroughly justified. This is a time for cost-cutting, and often cost-cutting involves the purchase of new machinery, or the installation of new equipment. Money often has to be spent to make money.

Many officials unfortunately do not recognize this. Numerous officials have sent out instructions that improvements involving the investment of any new money will not be entertained.

This is a rather short-sighted policy. If there ever was a time when suggestions from junior men and working executives should be welcomed, it is the present. A better policy would be for officials and boards of directors to state that their policy is consolidation rather than general expansion, but that every suggestion for the improvement of efficiency or the reduction of costs will be given serious consideration.

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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NEW PRESIDENT DOMINION STEEL REVIEWS FUTURE

Sees Possible Betterment in Coal Mining Operations

MARKET IS WIDENED

Outlook for Iron Ore and Steel Not Cheerful — Imperial Conference Dealt With

From Our Own Correspondent

MONTREAL.—Possibility of an improvement in coal mining operations, but a less promising outlook for iron ore sales and steel mill activity was forecast by Sir Newton Moore, president of Dominion Steel and Coal Corp., at the annual meeting of the company's shareholders. He looked forward hopefully to real benefits to the company as a result of the Imperial Conference and urged the adoption of an Imperial currency for its effect on Empire trade.

In dealing with the company's coal mining operations Sir Newton pointed out that costs of mining will be reduced without, it was hoped, diminishing the actual earnings of employees. Though tonnage sales might not be greatly increased he looked for a wider market to be opened up as a result of recently revised scale of subventions to be allowed the railways for furtherance beyond the points on the St. Lawrence to which coal can be carried by large ships. It was expected that the new market might absorb much of the tonnage that had been lost through the shrinkage of railway and industrial activities.

Outlook For Ore Sales

The outlook for iron ore sales was not so promising. Germany might take one third less ore this year and the low rate of activity in blast furnaces in England and the United States would have an adverse effect. He pointed out, however, that shipments were merely being deferred and eventually it might be expected that customers would take the iron ore contracted for. Activity of the company's steel mills was not expected to exceed that of last year. Operations would be confined closely to the quantity of steel for which a market could be found.

In the face of the serious decrease in business of the company last year satisfaction was found in the management's ability to reduce bank loans by $2,000,000 without a corresponding impairment of the company's current resources.

Following is a comparison of production of Dominion Steel and Coal Corp. and its subsidiaries in the past two years:

In tons:—	1931	1930
Coal	3,874,365	4,964,937
Iron ore	587,210	1,450,123
Pig iron	101,393	212,366
Steel ingots	169,952	295,080
Finished steel	144,640	217,254

Visits Company's Properties

Some of Sir Newton Moore's remarks to shareholders follow; they are of particular interest for they constitute his first address to shareholders since his appointment to the presidency of Dominion Steel and Coal corp. as successor to C. B. McNaught:

"I have just returned from an extended visit to your mines and works in Nova Scotia and from personal observation as well as from the reports of the various officers in charge of them, I find that they are in very satisfactory conditions and can be maintained with a minimum of expense until such time as reviving trade may afford an opportunity for their fuller operation. Encouraging results are already being obtained from rigid economies that have been effected and these may be expected to have a larger effect upon cost of production as time goes on.

"Plans for future coal mining operations have received careful consideration, in which eminent British engineers have collaborated with your own mining engineers.

"In the development of your coal properties during the immediate future attention will be directed to consolidation of colliery establishments and to their more intensive operation.

"Notice was given that the new scale of wages would be effective on March 15 and operations have been conducted on that basis since that date.

"With respect to the Imperial Conference which is referred to in the report, I may say that I am very hopeful that something helpful may result from a free discussion of the possibilities of enlarging the scope of trade with the Mother Country and other British Dominions and Colonies.

Urges Empire Currency

"In existing conditions there must necessarily be more or less give and take, and if some of the barriers cannot be removed without endangering established industries in this or the other countries that will be represented at the conference, some way around them may be found and new channels formed. One of the most important matters to be considered is the possibility of establishing a uniform currency for the various parts of the Empire. At the moment the difference in exchange between Canada and New Zealand very seriously detracts from the benefits that might otherwise be derived from the new treaty. By a practical adoption of Canadian currency Newfoundland has set an example that may possibly be followed. If an Empire dollar or pound or other currency unit could be agreed upon that would be of equal value within the Empire a long step would be taken toward the goal which the conference should have in view.

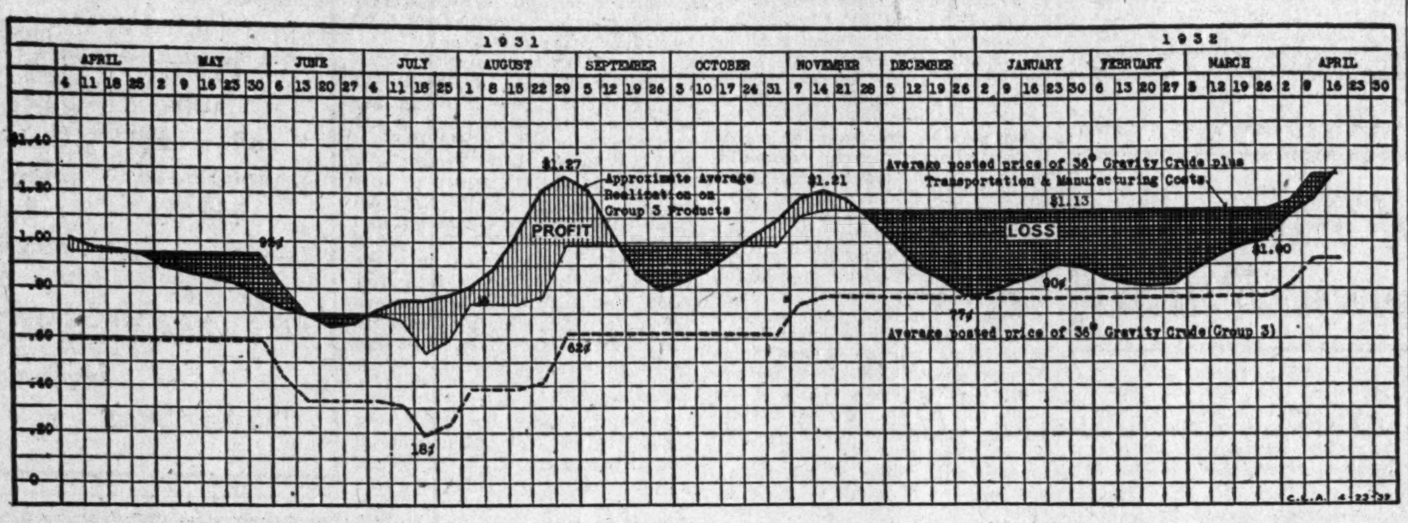
"Success can only be hoped for if all parties come together with a common purpose and a determination to find a way to accomplish that purpose.

"From what I have seen and heard here in England and 'down under' I am convinced that there is a wide-spread desire to make the forthcoming conference a success and I feel that with a united effort something really helpful may be accomplished."

Lumber Cut in Alberta

Alberta's lumber cut for 1931 reached a total of 35,110,000 feet, according to a report of the Department of Lands and Mines. There were 283,750 railway ties cut; lathes accounted for 4,468,000 feet, rough mining and timber piling, building logs and telephone poles 1,974,000 feet and 2,054 cords of hardwood and slabs.

Crude Oil Prices vs. Prices for Products in U.S.



The above chart illustrates graphically the principal statements made at the gasoline price enquiry at Ottawa. Canadian refiners all stated that Canadian prices are based on the day to day posted prices for crude oil in the mid-Continent area of the United States. Auditors employed by the parliamentary committee investigated records of Imperial Oil for 1929, 1930 and 1931, reporting that company took no undue advantage of either specific or dumping duties in fixing gasoline prices to the public. Statements by certain members of the committee that prices of gasoline were lower in the United States were admitted, refiners stating that United States prices were bankrupt prices due to gasoline racket and distress selling. Above chart shows price of crude for year and approximate average realization on all products from the crude. This shows that the United States industry sold at a loss during nine out of the last 12 months. Chart taken from "The Lamp," published by Standard Oil Co. of New Jersey.

CANADIAN VICKERS PROFIT IN 1931-32 HOLDS UP WELL

Covered All Prior Charges With Small Balance Forward

From Our Own Correspondent

MONTREAL.—Though the volume of business handled decreased by 45 per cent, earnings of Canadian Vickers Ltd. during the year ended February 29 last were off only 35 per cent.

The annual report shows that the company, after making provisions for interest charges, sinking fund and depreciation, but before special reserves, earned $3.51 on the preferred stock. The liquid position of the company was maintained and net working capital position improved.

Small Surplus Shown

Earnings from all sources last year totalled $424,690. This compares with $637,069 in the preceding year and $300,960 in 1929-30. The manner in which income was distributed follows:

	1931-32	1930-31	1929-30
	$	$	$
Oper. profit	409,010	637,069	300,960
Other inc.	15,680	17,078	......
Total	424,690	654,147	300,960
Bond int.	158,513	162,507	165,000
Balance	266,177	491,640	135,960
Depreciation	195,970	195,534	181,000
Net income	70,207	296,106	*45,040
Pref. div.	......	......	89,250
Balance	70,207	296,106	*333,169
†Discount	......	......	45,000
Balance	70,207	296,106	*179,290
‡Write-off	......	......	153,879
Balance	70,207	296,106	*333,169
^Reserves	65,000	92,000	155,000
Balance	5,207	204,106	*488,169
Prev. bal.	*156,880	*347,913	144,283
P. & L. bal.	*151,673	*143,807	*343,886

*—Debit balance.
†—Total discount on sale of stock subscribed and allotted.
‡—Research and development work.
^—For contingencies, inventories and doubtful accounts.

Working Capital Up

Net working capital at the end of the past year totalled $1,304,901, up from $1,207,076 at the close of 1930-31. The ratio between current assets and current liabilities was approximately 12 to 1, as will be seen in the following tabulation:

	1931-32	1930-31	1929-30
	$	$	$
Curr. assets	1,422,147	1,482,951	2,644,441
Curr. liabs.	117,246	275,875	1,479,255
Work. cap.	1,304,901	1,207,076	1,165,186

Asset Values Lower

The balance sheet on February 29, 1932, shows total assets of $7,598,271, down from $7,857,698 at the close of preceding year. The principal changes consist of a reduction of about $200,000 to $5,651,483 in fixed assets. Inventories have been reduced by about $170,000 to $362,868, while accounts receivable are up over $100,000 at $495,591.

Advances to subsidiaries — principally Montreal Dry Docks—increased from $37,258 to $160,829.

On the liabilities side of the balance sheet, bonds outstanding were further reduced during the year by $75,000 to $2,603,000. Reserves are up slightly, while the amount set against common stock, after taking the profit and loss debit of $151,673 into consideration, amounts to $2,263,326, down from $2,271,192.

No Dividends Yet

In his remarks to the shareholders James Playfair, president, made a general survey of last year's results and said that while present conditions continue it is not possible to intelligently forecast resumption of payment of preferred stock dividends.

March Sea Fisheries Show Decrease from Last Year

Both in catch and landed value, and on each coast, Canada's sea fisheries were less than for March, 1931. Total catch was 18,770,000 pounds in 1932 as compared with 25,996,500 in March a year ago. Pacific coast catch totalled 12,986,500 pounds with a landed value of $117,968 and Atlantic coast catch was 5,783,700 pounds with a landed value of $121,885.

Only in New Brunswick did March, 1932, landings compare favorably with a year ago and in this province the total was not large. Landed value in Nova Scotia was $115,000 compared with $320,000 a year ago; in British Columbia $117,970 compared with $178,210 in 1931. As usual no fishing was done in March from Quebec or Prince Edward Island.

Canada-U. S. A. Immigration Practically at a Standstill

Canadian immigrants to the United States totalled 309 in March as compared with 606 in March, 1931. For the nine months from July, 1931, to March, 1932, Canadian immigrants numbered 6,407 as compared with 23,173 for the same period of the previous years.

Persons entering Canada to take up permanent residence from the United States number 122 in March and 1,309 for the nine months ended March, 1932. For the 12 months ended March, 1931, the number entering Canada from the United States was 24,280.

Many New Lines Added by Industry

Spurred by Tariff Aid, Canadian Manufacturers Have Filled Gaps as Imports Shut Out By Protection

Lists of new lines which have been added by Canadian manufacturers as a result of tariff increases made since September, 1930, fixing of value for duty and the exchange situation make interesting reading in recent numbers of "Industrial Canada," published by the Canadian Manufacturers' Association. Information came from manufacturers themselves and does not include cases where no new lines have been added but improved business has been reported for old lines. It also omits confidential information from manufacturers who do not wish to disclose to competitors the new lines which they are preparing to make.

While many other answers were made by manufacturing companies to the circular requesting information, this article only gives summarized information for those companies in which there is an investment interest as follows:

Valuation Made This Possible

Amalgamated Electric Corporation Limited, Toronto: "We are now manufacturing the following products which heretofore have not been manufactured in Canada:

"1. A. N. T. P. panelboard section.
"2. All-Bakelite fuse only panel section,
"3. All-Bakelite 30 and 60 amp. range cutout,
"4. All-Bakelite totally enclosed 10 and 20 amp. flush toggle switches.
"5. Radio outlets,
"6. Porcelain lighting brackets.

"The entire new production is made possible in Canada by the Government fixing value for duty on imported articles."

This One Suits Canada

Bathurst Power & Paper Co., Limited, Bathurst, N.B.: "We have recently equipped our mill, at considerable expense, to manufacture what is known to the trade as Kraft Fourdrinier Board. This material is a woodpulpboard made from kraft woodpulp and used principally in the manufacture of corrugated shipping containers. It conforms, in every respect, to the railway requirements covering the shipment of goods in fibreboard containers.

"The material which is to be corrugated is a dry finish, .009 inch thick, while the outer linings are usually water finished, one side, with a caliper of .016 inch.

"Southern United States kraft pulp mills formerly shipped extensively to Canada, but the imposition of import duties has made it possible for us to enter the field, and we hope to secure a good share of the Canadian business. Our production capacity will be about 25,000 tons annually."

For Home and Henhouse

Beatty Bros. Limited, Fergus, Ont.: "We have engaged in the manufacture of electric ironers for domestic use, and electric polishers, also domestic pressure pumps. These items which were previously imported have been manufactured possibly more owing to the exchange situation than the change in the tariff.

"Owing to the change in duty since September, 1930, we have engaged in the manufacture of commercial incubators for hatching eggs. We also have manufactured brooder stoves, and a large number of different kinds of poultry equipment such as feeders, waterers, nests, etc., which previously were imported from the United States. The duty previous to the changes made by the Government was very low on all poultry equipment. The new duties, however, have made it possible to manufacture these goods profitably in Canada, and we have built up a very considerable industry and employed a good many men in this work."

Real Silk Linings

Bruck Silk Mills Limited, Cowansville, P.Q.: "Since the tariff increases we have added to our lines silk linings for men's suits and overcoats, made of real silk as well as of viscose and actetate."

New Cotton Products

Canadian Cottons Limited, Montreal, supply the following list of new products now being made at their mills, which were not produced prior to the last change made in the Canadian tariff:

1. Cotton blankets with jacquard designs, formerly supplied by the United States and Continental Europe.
2. Cotton tweeds formerly supplied by the United States and Continental Europe.
3. Rayon taffetas formerly imported from Japan in very large quantities.
4. We have also introduced many fancy cotton novelties, also novelties in rayon and spun rayon fabrics formerly purchased almost entirely in the United States.

"It has likewise been our experience," say the company "that because of the encouragement and protection granted to secondary manufacturers, known as cutters-up or converters, our sales to these people are increasing in volume on practically all classes of goods being made in our mills."

Make 199 Electrical Developments

Canadian General Electric Co., Limited, Toronto: "Since September, 1930, we have completed 199 new developments, furnishing 187,000 days of labor. In the same space of time we have expended on manufacturing plant and equipment, $1,000,000, furnishing about 60,000 days of labor. Manufacturing floor space has been increased by 89,000 sq. ft. Our budget of continued progress for 1932 constitutes 82 new developments, estimated to furnish 166,000 days of labor. The more important new developments are:

"Peterborough Factory—New electric refrigerators; a complete line of refrigerators (various types), for furnace blowers and oil burners, ironing machines, etc.; a range of new type oil circuit breakers with voltage as high as 230,000 volts; a line of luminous tube transformers, ignition transformers and radio power transformers; and numerous smaller devices, making 33 in all.

"Wire and cable factory, Peterborough — Deltabeston wires and cables, arc welding cables, cord sets with attachments and 13 other items.

"Davenport Factory, Toronto—High tension leads for transformers and switchboards; electrolytic cells for use in the manufacture of fertilizer and oxygen; high voltage current transformers and 4 other items.

"Ward Street Works, Toronto — Many advances in the production of new items in the wiring device group; also have begun the manufacture of electric clocks and an electric range carrying 230 volts. This is the first electric range of this voltage ever produced in Canada for Canadian use and will furnish the consumer with a much improved range and improved operating conditions.

"Architectural Bronze and Iron Works, Toronto — Street lighting lamps and fixtures.

"Edison Lamp Works, Toronto — Photoflash lamps, inside colored lamps, airport flood lights and numerous smaller developments.

"Rockfield Works, near Montreal—Improved hydraulic turbines, rotary pressure pumps and centrifugal sewerage pumps.

"Of particular importance in developing an increased production has been the appraisal granted by the Department of National Revenue on electric wiring devices and electrical fixtures of all types. This has been directly responsible for furnishing a lot of labor to Canadian citizens. The company have rendered every possible assistance by purchasing raw material and supplies in Canada, or if necessary to go outside, within the Empire."

Make Cellophane and Toiletware

Canadian Industries, Ltd., Montreal: "As a result of the increased protection which has been given to Canadian industry by tariff increases and/or fixing of value for duty purposes, or by exchange condtions, Canadian Industries Ltd. have made arrangements for the production of the following articles in Canada:

"1. Cellophane. A plant for the production of this commodity is being erected at Shawinigan Falls, Que., as a result of the tariff increases which were promised in the last budget.

"2. Toiletware. Pyralin toiletware, which was previously imported from the United States, will now be manufactured at Brownsburg, Que.

"3. Quarter-Linings for Shoes. Prior to the tariff increases, practically 100 per cent is being supplied by Canadian manufacturers."

Make Motors and Refrigerators

Canadian Westinghouse Co., Hamilton: "We have taken up the manufacture of the following lines since September, 1930, the majority being on account of increased protection:

"1. Relays, type 'HA.'
"2. Motors, type 'AR.'
"3. Split phase motors, type 'W'; small motors for washing machines, blower furnaces, small lathes, etc.
"4. Micarta products: panelling consisting of Micarta sheets glued or moulded on fibrous core material.
"5. Induction motors, Nema frame: totally enclosed, fan-cooled type.
"6. Condenser potential devices.
"7. Transformer network protectors."

(Continued on page 15)

QUEBEC ALTERS POWER LEASES TO SHAWINIGAN

Eases Obligations Respecting Upper St. Maurice Development

From Our Own Correspondent

MONTREAL.—Agreement between the Quebec Government and the Shawinigan Water and Power Co., respecting production dates and payment clauses bearing upon the development of power sites upon the Upper St. Maurice River, have been revised in favor of the company.

The original 75-year lease, dated in June, 1928, covered six power sites all above La Tuque and with an aggregate capacity approximating 1,000,000 h.p. This lease stipulated that work must be started at Rapide Blanc by July 1, 1930; that 100,000 h.p. be developed by July 1, 1933; that a second development be started when 75 per cent of the primary power of Rapide Blanc had been sold and, similarly, for each successive development until they were all completed. This lease also contained one specific clause which required that construction work on a fourth site must be started by July 1, 1938.

At that time all these obligations seemed rational because the average increase in power demand on the Shawinigan system for the five years immediately preceding 1928 was over 55,000 h.p.

Allow For Conditions

Last August the Government, in view of the changed conditions since 1928, entered into a supplementary agreement with Shawinigan relieving it of its obligations to start work on a fourth site by July, 1938. The original lease was extended to the year 2013 and was further amended to permitt the company, in co-operation with the Brown Corporation to undertake the development of the La Tuque power site as soon as 75 per cent of the capacity of the Rapide Blanc development is disposed of, after which Shawinigan will resume the orderly development of its remaining five power sites above La Tuque.

Shawinigan has been proceeding with its Rapide Blanc development upon which satisfactory progress has been made. However, as Shawinigan's load requirements are being met from the installation of additional units at Grand'Mère, Shawinigan and La Gabelle, made possible by the completion of the storage dam on the Mattawin River, the company has been authorized to slow up its work at Rapide Blanc. In a second supplementary agreement, which has just been completed, the Government has granted the company a delay until July, 1935, when 100,000 h.p. must be made available from Rapide Blanc. This agreement also provides for a temporary reduction in both rental and royalty payments which will afford the company relief from a heavy annual expenditure.

PAPER GOODS TRADE EXPANDS

Miscellaneous Group Show Marked Growth in 1930

From Our Own Correspondent

MONTREAL. — Sixty-one firms engaged in the production of miscellaneous paper goods reported an output in 1930 valued at $12,538,497, as against $11,145,180 in the preceding year, according to returns tabulated by the Dominion Bureau of Statistics.

Coated paper was produced in this industry to the extent of 8,345 tons valued at $1,874,957. Waxed paper was valued at $2,223,833; gummed paper at $554,050; milk bottle caps at $241,586; tags, seals and greeting cards at $474,326; calendars at $304,637; shoe patterns at $136,557; blue print paper and cloth at $86,239; blue printing at $43,325; and all other products $6,598,987.

Not All Inclusive

This outline of production is not all inclusive as there are a number of other firms classified in other industrial groups which make some of these products as a side-line to their principal production.

The total capital invested in the industry was $13,084,168 as against $10,348,812 in 1929. During the year employment was given to 2,227 persons, to whom salaries and wages totalling $2,724,450 were paid. In the previous year workers on the payroll numbered 1,790 and wages and salaries $2,359,139.

Raw materials of the industry amounted to $5,787,150 in 1930 compared to $5,331,007 in the previous year. Newsprint paper cost $462,254; book and writing paper, $101,415; wrapping paper, $386,019; paper board, $193,240; all other paper $2,775,798; envelopes, $32,573; and all other materials, $1,836,990

Canada Largest Smelt Producer

Canada is the world's largest producer of smelts, and in the calendar year 1931 the total Canadian landings of these little fish amounted to 7,009,000 pounds, according to the Fisheries News Bulletin.

BRITISH FIRMS SUFFER LOSSES ON SECURITIES

Even J. M. Keynes Insurance Firm Affected — Fire Depts. Do Well

The effect of the decline in security values; the satisfactory results enjoyed by British fire companies in 1931; and the formation of a new aviation insurance company to develop aeronautical insurance throughout the world are the highlights of the past year in its effect on British insurance companies, according to a review made by the Department of Overseas Trade, London.

It is pointed out that only a few of the leading companies have as yet brought in their annual reports for 1931 but there is no question that all are agreed that the past year was one of extraordinary anxiety for those concerned with the safe investment of large funds, and that while there has been a substantial and unprecedented degree of depreciation, there has also been a heightened appreciation of the value of insurance as a form of safe investment.

Keynes Company Suffers

Not even the National Mutual Life, of which J. M. Keynes is chairman, was able to avoid the heavy paper losses which are evident as a result of the following of customary British practice of valuing Stock Exchange securities on the basis of Dec. 31 values. This company reported that combined depreciation and realized loss of its Stock Exchange securities was equal to 15.8 per cent. Paper loss on fixed interest securities amounted to 13.5 per cent, so that if the company had held no ordinary share securities the loss would have been less by a little more than 2 per cent. Prudential Assurance Co. reported a fall of about 9 per cent in the market value of its British Government securities alone.

In commenting on this situation and also on the improvement in fire department results and the formation of the new aviation company, the Department says:

"It is important to stress the fact that these losses, while quite properly regarded as actual for accountancy purposes, are practically only paper losses. Not only are prices under present abnormal conditions in many instances obviously less than real values, but such a method of valuation ignores the fact that the great majority of such securities held by British insurance companies are definitely redeemable at some future date. Except in case of default, this depreciation in market values, however irksome from the point of view of the establishment of the balance-sheet, has little or no effect on earning capacity.

"Before leaving this point, two further observations may be made on it. The first is that it is an almost universal rule of British insurance institutions that there shall be no corresponding write-up of values when securities soar above their purchase price. The second point is that since the balance sheets were established at the end of 1931 a remarkable change has come over the British and other stock-exchanges Following the reduction of the British bank rate by a full point at the end of February there has been a recovery in security values. Certain high class securities of the kind held by insurance companies have risen on the market by a considerable extent and at the time of writing much of the fall of last autumn has been recovered.

Fire Departments Gain

"Another happy feature of last year was the improvement noted in the fire department. It is commonly supposed that trade depression is associated with heavier fire losses. There was no indication in Great Britain and Ireland of this tendency last year. According to figures compiled by "The Times" newspaper the total cost of all losses during 1931 is estimated at £7,954,000, a total which compares with £9,016,000 in 1930, and £11,784,000 for 1929. The wet summer of 1931 may not have been an unmixed evil from the point of view of the fire insurance underwriter.

"Other features of 1931 are the progress of the mechanization of accounting, which has now reached a high pitch, effecting considerable economy in expenses, and the establishment in June last of a British Aviation insurance company by a number of leading British insurance companies and Lloyd's underwriters to develop aeronautical insurance throughout the world. The initial capital is only £250,000, but the companies behind this venture are very wealthy and the experiment will be watched with interest."

Connors Bros. Plan to Pack On 1931 Scale

From Our Own Correspondent

MONTREAL.—Reports from the Maritimes state that Connors Bros. intends to pack as much fish this year as last, despite the difficulties which exchange lends to the company's export business. In the past, the company's policy has been to keep all its foreign connections intact, with a view to maintaining its position when the exchange situation rights itself.

Connors Bros. does not publish a financial statement, but the latest figures available indicate that all charges were covered in 1930 and $8 a share was paid on the common stock. Information on activity in 1931 has not been published yet, but at the beginning of last year, it was expected that average prices would be lower, and the company was planning to reduce prices further, if business could be procured to operate plants at capacity.

Investment interest in Connors Bros. is extremely limited. The company, however, is the largest packer of sardines in the world, and carries on an export business in all parts of the globe.

Nickel Steel Research Work

Possibilities for commercial production of nickel steel direct from the nickel-copper ores of the Sudbury district may result from recent researches in the laboratories of the Department of Mines at Ottawa. A bulletin issued by T. W. Hardy and H. H. Bleakney states that nickel-iron sponge has been made successfully in a direct process from the ore and the sponge was used in the production of nickel-steels which compare favorably in physical, or strength, tests with nickel-steels of similar S. A. E. specifications made in the ordinary way.

BUTTER GAINED CHEESE FELL OFF FOR PAST YEAR

Complete Returns From All Provinces Now Available

Preliminary returns of butter production in Canada in 1931 are now available from all provinces and show an increase in production for the year of 20.9 per cent, according to the dairy and cold storage branch of the Department of Agriculture, Ottawa. Previous returns as analyzed in The Financial Post of Feb. 27, showed an estimated increase for the year of 22 per cent without figures from either Quebec or British Columbia, which are now available. Current figures show 1932 production behind 1931 except in Ontario.

Factory cheese production figures are now available for every province except Nova Scotia and on this basis show a decrease for the year of 7.2 per cent in total production.

Comparative figures follow:

Creamery Butter Production in Canada

	1930 lbs.	1931 lbs.	Increase %
P. E. I.	1,746,099	2,063,252	18.2
Nova Scotia	4,733,579	5,896,270	24.5
N. Brunswick	2,059,675	2,415,992	17.3
Quebec	60,746,665	69,653,540	14.7
Ontario	64,898,291	76,604,813	18.0
Manitoba	15,786,896	21,078,078	33.5
Sask.	13,920,561	18,800,000	35.1
Alberta	17,716,744	22,650,000	27.8
Br. Columbia	4,142,551	5,500,000	32.7
Total	185,751,061	224,661,940	20.9

Factory Cheese Production in Canada*

	1930 lbs.	1931 lbs.	Increase %
P. E. I.	870,580	525,240	—39.7
Nova Scotia	......	......	....
N. Brunswick	606,956	496,261	—18.2
Quebec	34,059,680	25,907,681	—23.9
Ontario	81,322,611	81,090,000	—0.3
Manitoba	504,490	522,851	3.6
Sask.	140,701	175,000	24.4
Alberta	1,035,352	1,000,000	—3.4
Br. Columbia	564,833	750,735	32.9
Total	119,105,203	110,467,768	—7.2

*—Minus indicates decrease.

Current data on 1932 production shows that of six provinces for which monthly returns are available, only one, namely Ontario, records an increase, the February returns for that province being nearly 8 per cent above the same figure a year ago. The five western provinces and Nova Scotia show decreases for February or March returns, the figures in which case being for the last month for which data are available.

The summary follows:

Nova Scotia—A decrease in creamery butter production during March, 1932, of 2.5 per cent, as compared with production during March, 1931.

Ontario—An increase in creamery butter production during February, 1932, of 7.89 per cent as compared with that of February, 1931.

Manitoba—A decrease during March, 1932, of 84,497 pounds of butterfat, or 8.2 per cent as compared with production during March, 1931.

Saskatchewan — A decrease in creamery butter production of 80,360 pounds, or 7.1 per cent during March, 1932, as compared with production during March, 1931.

Alberta — A decrease of 57,047 pounds, or 4.5 per cent, in butterfat receipts during March, 1932, as compared with March, 1931.

British Columbia—A decrease in creamery butter production of 7.9 per cent during January, 1932, as compared with January, 1931, and a decrease of 1.5 per cent during February, 1932, as compared with February, 1931.

Now is the Time to Advertise »

NO BUSINESS man will question the value of advertising in good media in normal times. Successful merchandizers realize that, in times of business recession, advertising is even more necessary than in periods of prosperity. During the 1921-22 depression, a number of firms became more aggressive in their selling and advertising, and gathered in many new customers lost to the weaker firms who slackened their selling effort.

- As a leading advertiser says in "Printers' Ink": "In this competitive field, expansion does not come primarily through new uses or new markets, but through new converts, which means securing business in the competitive market if you can. If your product is better; if your merchandizing policies are sound; if your advertising is courageous and effective, *you can build at the expense of those who are letting down on all these counts or on any one of them.*"
- Canadian Machinery offers an opportunity to do an effective piece of sales work, giving, at low cost, complete coverage of a field whose aggregate buying power, even in poor times, is very large — in good times tremendous.
- Canadian Machinery will give your advertising the benefit of a strong editorial service plus the prestige which comes from twenty-five years faithful servicing of its field.

Canadian Machinery
153 University Avenue, Toronto

NOTICES

The Niagara Parks Commission (Ontario)

Operation of Electric Railway

The Niagara Parks Commission of Ontario, Canada, announces that the agreement with the International Railway Company for the operation of the electric railway extending eleven miles along the Canadian side of the Niagara River from the Village of Chippawa to the Village of Queenston terminates on August 31st next and that the Commission is willing to enter into negotiations for the operation of the railway thereafter on reasonable terms either by purchase or lease.

Communications should be addressed and delivered to the undersigned on or before August 15th, 1932.

JOHN H. JACKSON,
General Manager,
The Niagara Parks Commission.

Niagara Falls, Ont.
May 2nd, 1932.

DIVIDEND NOTICES

Nova Scotia Light and Power Company, Limited

Preference Dividend No. 16

Notice is hereby given that a dividend of one and one-half per cent (1½%) for the quarter ending May 31st, 1932, has been declared upon the 6% Cumulative Redeemable Preference Stock of the Company, payable June 1st, 1932, to shareholders of record at the close of business May 14th, 1932.

By Order of the Board,
C. J. HAYES, Secretary.

Halifax, N.S., May 5th, 1932.

The Canadian Bank of Commerce

Dividend No. 181

Notice is hereby given that a dividend of Three per cent in Canadian funds, on the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1932, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st June next, to shareholders of record at the close of business on the 30th day of April, 1932. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.

Toronto, 15th April, 1932.

The Bank of Toronto

Dividend No. 203

Notice is hereby given that a Dividend of Three per cent upon the Paid-Up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of June next, to shareholders of record on May fourteenth, 1932.

By Order of the Board.
H. B. HENWOOD,
General Manager.

Toronto, April 13th, 1932.

SIMON'S HAVANAS

H. SIMON & SONS, LIMITED

DIVIDEND NOTICE

The regular quarterly Dividend of 1¾% on the Preferred Stock of H. SIMON & SONS, LIMITED, has been declared payable the 1st day of June, 1932, to Stockholders of record as of the 20th day of May, 1932.

By Order of the Board,
A. E. M. WARNER,
Secretary-Treasurer.

Montreal, May 3rd, 1932.

BANK OF MONTREAL

Established 1817

DIVIDEND No. 276

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of JUNE next, to Shareholders of record at close of business on 30th April, 1932.

By Order of the Board,
W. A. BOG, General Manager
JACKSON DODDS, General Manager

Montreal, 19th April, 1932.

IMPERIAL OIL, LIMITED

DIVIDEND

Notice to Shareholders and the Holders of Share Warrants

Notice is hereby given that a dividend of twelve and one-half cents (12½c) per share, has been declared by the Directors of the Company and that the same will be payable in respect of shares specified in any share warrant of the Company of the 1929 issue within three days after the Coupon Serial Number THIRTY-THREE (33) of such share warrant has been presented and delivered to ANY BRANCH OF:

THE ROYAL BANK OF CANADA

such presentation and delivery to be made on or after the 1st day of June, 1932.

Payment to Shareholders of record at the close of business on the 14th day of May, 1932, (and whose shares are represented by share certificates of the 1929 issue) will be made on or after the 1st day of June, 1932.

The books of the Company for the transfer of shares will be closed from the close of business on the 14th day of May, 1932, to the close of business on the 31st day of May, 1932.

BY ORDER OF THE BOARD,
F. E. Holbrook,
Secretary.

56 Church Street,
Toronto, Ontario.

THRIFT STORES REPORT SHOWS HIGHER PROFITS

Sales Increase and Cash Position Records Betterment

From Our Own Correspondent

MONTREAL. — Increased sales and profits and an improved cash position are indicated in the financial statement of Thrift Stores for the fiscal year ended March 31, 1932. During the year, 11 new stores were added to the grocery chain operated by the company bringing the total to 65 and total sales were $4,357,068 against $3,747,635 in the preceding year.

Operating profit last year was $107,130 compared with $95,781 in the preceding year. Depreciation was increased by over $9,000 to $28,789 and net profits at $78,341 compared with $76,618 in the previous year. Before income tax, but after provision for preferred dividends, there remained a sum equal to $2.36 a share on the common stock, compared with $2.27 a share in the year ended March 31, 1931.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the past two years:

	1932 $	1931 $
Oper. profit	107,130	95,781
Depreciation	28,789	19,163
Net profit	78,341	76,618
1st pref. divid.	22,750	22,750
2nd pref. divid.	8,400	8,400
Net earnings	47,191	45,468
Prev. surplus	55,189	29,094
	102,380	74,562
Inc. tax and adj.	9,084	19,373
P. & L. surplus	93,296	55,189
Working Capital:	1932 $	1931 $
Current assets	492,427	428,578
Current liabilities	151,833	100,728
Working capital	340,594	327,850

Improved Cash Position

A feature of the balance sheet is an improved cash position, cash and Dominion of Canada bonds, totalling $188,408, compared with $135,162 Inventories are slightly higher at $252,560, and accounts receivable show a gain of $8,000 at $51,459.

In liabilities, accounts payable are up $45,000 at $143,184, capital structure is unchanged, and surplus has been increased from $55,189, to $93,296.

Remarks to Shareholders

In his remarks to shareholders, M. Rudolph, president of the company, said in part:

"Sales for the year have been very gratifying under present conditions, the total being $4,357,067. Of this amount $4,017,749 is made up of retail sales, the balance of $339,318 being derived from wholesale sales, indicating that the retail sales increased by an amount of $654,004 over the previous year. Taking into consideration that commodities are at a very low price, the tonnage of sales during the past year has been considerably larger per unit than the previous year, which would indicate that the number of our customers has increased during the year.

"In view of existing conditions, it is deemed advisable that the company should still pursue a conservative programme of expansion keeping in mind the importance of retaining the favorable current position of the company, and opening additional stores only from current profits."

Gypsum Head Hopeful on Current Trade Outlook

From Our Own Correspondent

MONTREAL.—Present prospects of Gypsum, Lime and Alabastine, Canada, Ltd., are somewhat better than in the months immediately past, according to the statement made by R. E. Haire, president, at the annual meeting of the shareholders. He went on to say that the company's business depended very largely upon activity in the building trade and said that prospects of a better crop in the prairies had created a better feeling in the middle west. The company is benefitting too, he said, by the improved business conditions in the British Isles, where a large business is done by Gypsum, Lime and Alabastine.

DIVIDEND NOTICES

Canadian Silk Products Corporation

Dividend Notice No. 10

Notice is hereby given that a dividend of Thirty-Seven and One-half Cents (37½ Cents) per share has been declared on Class "A" shares of no par value, of this company payable June 1st, 1932, to shareholders of record at the close of business May 15th, 1932, for the quarter ending May 31st, 1932.

By order the Board of Directors,
A. A. MUNSTER,
Secretary.

The Bank of Nova Scotia

DIVIDEND No. 250

Notice is hereby given that a Dividend of four per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of June 15th, and that the same will be payable on and after Saturday, the second day of July next, at any of the offices of the Bank in Canada.

By order of the Board.
J. A. McLEOD,
General Manager.

Halifax, N.S., May 10th, 1932.

LEADING EXECUTIVES

are turning more and more to The Financial Post for information and an accurate picture of the basic conditions of business.

You cannot afford to miss reading each issue during the coming months. Articles of vital interest to Business men and Investors will be published, which will alone be well worth the subscription price of $5.00.

THE FINANCIAL POST,
153 University Ave.,
Toronto.

Please send me The Financial Post for the next year (52 issues), this to entitle me to obtain by letter, a personal reply from the Investment Editor to enquiries regarding any Canadian investments in which I may be interested by simply supplying a stamped return envelope. I enclose $5.00.

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Occupation ....

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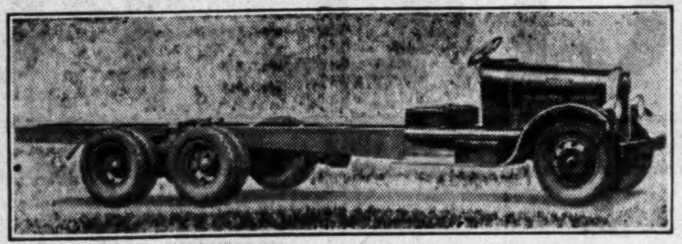

Federal Truck Co. of Canada, Limited, Windsor, have added this eight-ton truck to their line of six-wheel heavy duty trucks. Chassis specifications are similar to their other models and the power unit is a six-cylinder, 90-horsepower job.

Summary of Plan For National Radio

The House of Commons special committee on radio broadcasting this week presented a plan for nationalization of radio broadcasting along the following lines:

National Importance

"Your committee was seized, from the inception, of the national importance and international character of radio broadcasting, and the evidence submitted has served to further consolidate our opinion of the far-reaching scope and benefits of proper, well-regulated broadcasting services throughout Canada, as a medium of education, thought-provoking development, and fostering of Canadian ideals and culture, entertainment, news service and publicity of this country and its products, and as an auxiliary to religious and education teaching, also as one of the most efficient mediums for developing a greater National and Empire consciousness within the Dominion and the British Commonwealth of Nations.

Tribute to Pioneers

"Your committee desires to express at the outset, to the present radio broadcasting stations, this tribute: That they entered as pioneers in a field of service in the art of radio, and, under trying handicaps and sacrifices, worthily kept pace with a science fraught with ever-changing improvements and development, and rendered this service under handicaps, which is most praiseworthy.

"Your committee is convinced, however, that the present system, excellent as it is in certain respects, does not meet the requirements in quality and scope of broadcasting to ensure its maximum benefits

Trans-Canada Chain

"Your committee recommends a chain of high-power national stations, operating on clear channels, located at suitable intervals, the location to be determined by a careful technical survey of Canada.

"Your committee recommends that consideration be given to the use of five 50 kw. stations, one in each of the following provinces of Canada, viz., British Columbia, Manitoba, Ontario, Quebec, and, in the Maritimes, three 500 watt stations, one for each province, or one 50 kw. station, as may be determined by the commission. In Saskatchewan and Alberta, we suggest two five kw. stations in each province, synchronized on a common channel. Further, a 10 kw. station in Northern Ontario and one in Western Ontario, a one kw. station at Port Arthur-Fort William; a 500 watt station in Toronto, and a one kw. station at, or near, Ottawa, Montreal and Quebec.

Small Private Stations

"Your committee further recommends a number of stations, of 100 watt power and under, operating on shared channels, located where required:—

(a) To serve areas not satisfactorily covered by the National Stations.
(b) For secondary stations in areas where there is a demand for several channels to be in operation at the same time.
(c) For educational purposes.
(d) For legitimate experimental work.
(e) For local broadcasting of community interest.

Financing

"Your committee further recommends that the cost of radio in Canada be self-sustaining and that only the money available from transmitters' and receivers' licence fees, and advertising income, be expended, and that the question of the amount of receivers' license fees be left entirely in the hands of the governor-in-council.

Radio Commission

"Your committee recommends that a commission be appointed, consisting of three adequately-paid commissioners; a chairman to hold office for a period of ten years; a vice-chairman for a period of nine years, and the third commissioner, for a period of eight years.

"That there be appointed an assistant commissioner in each province, who shall also act as chairman of such provincial or regional advisory programme committees as may be formed; the assistant commissioners to be selected in consultation with the governments of their respective provinces.

"Your committee further recommends that the commission be vested with the necessary powers to carry on the business of broadcasting in the Dominion of Canada, such powers to extend to the following matters:

(a) To regulate and control all broadcasting in Canada, including programmes and advertising.
(b) To own, build and operate transmitting or receiving stations in Canada.
(c) To acquire by lease, purchase, expropriation or otherwise, any or all existing broadcasting stations.
(d) To enter into operating agreements with privately-owned stations.
(e) To originate programmes, and secure outside programmes by purchase or exchange, and to make the arrangements necessary for their transmission.
(f) To determine the number, location and power of all broadcasting stations required in Canada.
(g) To control the issuing or canstations in Canada.
(h) To cancel the allotments of channels to any stations, or to make substitution of channels.
(i) To prohibit the establishment of privately-operated chains of privately-owned chains of stations in Canada.
(j) Subject to the approval of the Parliament of Canada, to take over all broadcasting in Canada.
(k) To be vested with all other powers necessary or incidental for the fulfillment of the objects of the Commission.

Scope of Control

"Your Committee recommends:

(a) That one of the first duties of the Commission be the establishment of Trans-Canada chain broadcasting through the securing of the necessary land-lines as soon as possible

(b) That a nationally-owned system of radio broadcasting be instituted, and that all stations required for its proper organization be eventually acquired, same to be financed from the revenues accruing to the business of broadcasting, without expense to the taxpayers through the public treasury.

(c) That all stations, 100 watt and under, not required for the national system, remain under private ownership, but be regulated as to programmes and advertising, by the rules of the commission.

(d) That all revenues obtained from license fees, sale of advertisement, and other revenues accessory to the business of broadcasting, be used by the commission in the interest of radio.

(e) That advertising be limited to not more than 5 per cent of each programme period.

(f) That the developing of Canadian art and artists, and the securing of outstanding programmes from outside Canada, be encouraged.

(g) That the commission make available to the provinces, when possible, the facilities of national and chain broadcasting.

(h) That the commission make special effort to give such programmes as will be acceptable to provincial and local requirements.

(i) That before making changes in Canadian radio broadcasting, survey of the present system, with the commission makes a complete particular reference to adequate coverage.

"We desire to call attention to the extreme importance that the commission should not assume, or even be suspected of assuming, a political complexion.

NOVA SCOTIA COAL BONUS ANNOUNCED

Dollar Per Ton When Coal Shipped West of Montreal

Bonuses for operators, distributors and users of Nova Scotia coal have been announced by the Federal Government. Effective immediately, a bonus of $1 per ton will be paid to coal operators and distributors in Nova Scotia on all coal shipped west of Montreal by water and in addition one third of a cent per ton per mile on this coal shipped by rail inland from a Great Lakes port.

In addition a bonus up to $2 per ton will be paid to operators or distributors for every ton of Nova Scotia coal used by the Canadian Pacific, Canadian National and Temiskaming and Northern Ontario Railways in Ontario and Quebec over and above the amount of Canadian coal used last year. The amount of this bonus will be the difference per ton, up to $2, between the laid down cost of Nova Scotia coal and the laid down cost at the same point of imported coal.

Can. Fairbanks-Morse to Buy Own Preferred

From Our Own Correspondent

MONTREAL.—Canadian Fairbanks-Morse Co. has decided to purchase a limited number of its own preferred shares for the purpose of retirement and to this end has circularised shareholders with an offer to submit quotations if they wish to sell. No offer, however, will be necessarily accepted.

The proposal follows a decision agreed on at a directors' meeting held February 29, 1932, when it was voted to advise preferred shareholders that a resolution has been adopted authorizing the expenditure of a sum of money to purchase a limited amount of outstanding preferred shares for retirement, provided that the shares could be acquired at a price to the best interest of the company and its shareholders. All offers to sell must be submitted by November 1, 1932.

Canadian Fairbanks-Morse has outstanding $1,500,000 of 6 per cent preferred stock issued in 1912. Though there have been lapses in dividend payments all arrears have been paid up within a short period. Recent quotations have been in the neighborhood of 60. There are also issued 80,000 shares of no par common which is closely held.

Dominion Mortgage Ass'n Annual Meet for London

Dominion Mortgage and Investments Association, comprising the leading loan, trust and life insurance companies of Canada, will hold its annual meeting in London, Ontario, this year.

Dates are June 20 and 21.

Joins Advisory Board

J. H. ROAF

Managing director of Clayburn Co., Vancouver, and a director of Marshall Wells, B.C., Ltd., who has joined the Vancouver advisory board of Toronto General Trusts Corp.

SPILLERS MAKES LARGER PROFITS, PLANS EXPANSION

British Milling Concern is Enlarging or Re-Vamping All Mills

Spillers, Ltd., which owns among many others, mills at Calgary and Vancouver, at its annual meeting in Cardiff, Wales, on May 7, reported profit for the year ending January 31, 1932, at £549,185, including interest on investments, after making provision for depreciation and obsolescence of buildings, plant and machinery, income tax and the staff bonus under the co-partnership scheme. After 6 per cent dividends for 1932 on the preference stock and 2½ per cent on the common stock in addition to a 10 per cent dividend on ordinary shares for 1931 there was carried forward into profit and loss for 1932 an amount of £396,232 as compared with £275,891 at the beginning of the year. Most of the profit was earned in Great Britain but the subsidiary Canadian company's assets have now been merged with those of the parent company as it failed to meet its obligations on bonds held by parent company.

PROFIT AND LOSS ACCOUNT

Years Ended Jan. 31

	1932 £	1931 £
Profit*	549,185	413,593
Less:		
Loss on sale of invest.	24,829	......
Directors' fees	34,500	20,911
Bond interest	12,779	20,238
Trans. to benefit fd.	125,000	......
Invest. deprec.	......	100,000
Balance	352,077	272,444
Ord. dividend	140,344	......
Ord. interim. div.	33,954	......
Pref. dividend	51,436	53,150
Co-partner div.	584	......
Surplus	125,759	219,294
Prev. surplus	275,890	56,596
Less: Addit. dir. fees	5,416	......
Bal. carried for'd.	396,233	275,890

*After making provision for depreciation, obsolescence of buildings, plant and machinery, income tax and staff bonus.

British milling is evidently on the upgrade as this company is negotiating with the Great Western Railway and the Bristol harbor authority with a view to securing new deep water sites at Cardiff and Bristol for the purpose of erecting new mills and factories in place of the existing ones. Other factories are also being enlarged or reorganized.

Financial position is strong, current assets being 5.16 times current liabilities. The following table includes contingency reserves among the current liabilities of £544,305 and £325,782 in investments and loans to subsidiary companies at cost among the current assets. Their exclusion would improve the ratio but decrease the total shown below of working capital:

Working Capital

	1932 £	1931 £
Current assets	4,655,866	4,098,522
Current liabs.	901,423	629,574
Working capital	3,754,443	3,468,948
Ratio	5.16—1	6.50—1

Obituaries

HORACE C. DUNCAN, formerly manager of the Canadian Bank of Commerce, York and Queen Streets, Hamilton, Ont., and prior to that manager of the branch at Oshawa, Ont., died on April 29. Mr. Duncan retired from the service of the bank only six months ago.

JOHN KELLY, for 42 years manager of the Standard Bank in Durham, Ont., retiring in 1926, died on May 1.

K. EARDLEY WILMOT, formerly manager of the Bank of Montreal, Perth, Ont., died there on April 28. He retired from the bank in 1921.

Insurance Statutes Pass Second Reading

House of Commons debated for three hours last week the three federal insurance bills which have been debated for many weeks by the banking and commerce committee of the Senate. With minor amendments the bills received second reading and were discussed by the house in committee of the whole.

Discussion centred around the distinctions which the new legislation contained to avoid matters of insurance jurisdiction affected by the Privy Council decision of last fall. Explanations were made by Finance Minister Rhodes and Prime Minister Bennett of the exact status of the new bills and of the formal reservations which had been made in regard to them by Ontario, Quebec and British Columbia

No important changes were made by the House, the amendments for the most part affecting matters of revenue which are dealt with only by the House of Commons and not by the Senate.

Fur Seal Depredations Worry B. C. Fishermen

Salmon and halibut fishermen in British Columbia are complaining of the depredations of fur seals, now on their way north to the rookeries on the Pribiloff Islands. Fur seals have been protected by international law for a number of years owing to the fact that they were in danger of becoming extinct but fishermen now contend that their numbers have so increased as to become a real menace to the fisheries.

One halibut boat reported that there were hundreds of seals on the fishing banks and that, instead of diving to get fish, the seals were content to tear the fish off the hooks just before they reached the surface. The captain estimated that on one trip the boat lost three or four thousand pounds of halibut in this manner.

Political Science Ass'n Meets in Toronto Soon

The Canadian Political Science Association, formed under the presidency of the late Dr. Adam Shortt, is meeting this year in Toronto, on May 23 and 24, under the presidency of S. J. McLean, chairman of the Board of Railway Commissioners. Experts from all parts of Canada will attend, and there will be a varied programme of papers and discussions, dealing with current economic, social and political problems. The meetings will be held during the day and in the evening at the department of economics of the University of Toronto.

One session will discuss unemployment, unemployment insurance and the comparative roles of public relief and private charity.

Another session will discuss the monetary and currency problems of Canada.

N. ONTARIO BDG. INTEREST PAID IN CAN. FUNDS

(Continued from page 1)

85 per cent, the building has been affected by business conditions which might not permit premium on New York funds to be earned this year. It is stated that some 80 per cent of the bondholders have accepted Canadian funds. The first mortgage bonds are well secured as to principal and are currently quoted at a better price than most Canadian real estate bonds.

Action Is Difficult

Bondholders find difficulty in taking action since holdings are scattered, and authority of 25 per cent of bondholders is required before the trustee, Royal Trust Co. is required to act. Expense of any action to recover the difference between payment in Canadian and United States funds might be a considerable proportion of the amount involved, but it is understood that some large bondholders have deferred cashing their coupons while others have taken Canadian funds, but specified that such action would not prejudice their right to the additional amount.

Among the larger holdings of the bonds is a block of nearly $50,000 held by one of the Canadian life insurance companies. This block was purchased, with other securities payable in New York to maintain assets against business written in the United States and investment in the bonds would not have been made for this purpose had the interest and principal not been distinctly specified as payable in U. S. funds.

The purchase of Canadian issues with New York payments has always been favored by insurance and other financial institutions for the purpose of covering future American obligations. "Any tendency to weaken confidence that the contracts will not be carried out will be very detrimental to future Canadian financing," said a leading Canadian life insurance official this week.

No Statement Issued

No annual statement of the company is available and some bondholders have objected to the action of the directors in paying interest only in Canadian funds without making a statement as to the financial position of the company. Bond dealers claim that even had the company not earned interest in full it was up to the common shareholders to protect their equity rather than leaving action to bondholders who are handicapped because of the small amount of money involved and the difficulty in getting enough bonds together to take action.

The directorate of the company includes W. D. Ross, former Lieutenant-Governor of Ontario; R. Home Smith, president of Toronto Land Corp.; S. J. Moore, president of the Bank of Nova Scotia; Strachan Johnston, K.C., and V. T. Goggin. Directors of the company are believed to own the junior equity in the building through ownership of Continental Land Corp. which owns majority interest in the building.

A bondholder writes to The Financial Post in part as follows:

"The bond issue was distributed in 1924-1925 and since that time the bonds have had a fair trading market and have possessed for some time the status of a seasoned security. Bonds were originally offered for sale and have since been traded on the distinct understanding that both interest and principal were payable in New York funds and every circular and advertisement in connection with the offering drew attention to this feature. In refusing to pay New York funds, the company has therefore violated its pledges to the hundreds of investors who placed their money in this enterprise and whose confidence was inspired by those connected with it."

SEEDING ADVANCES IN SASKATCHEWAN

From Our Own Correspondent

REGINA.—Splendid progress has been made with seeding operations during the last week or ten days, according to telegraphic reports received over the week-end by the Statistics Branch of the Saskatchewan Department of Agriculture. The south-eastern section of the province is most advanced in this respect where about 90 per cent of the wheat is seeded and taking the province as a whole almost 60 per cent of the wheat seeding is now completed. Only a small proportion of the coarse grain acreage possibly not more than 7 per cent is seeded.

Rains during the last two weeks of April greatly improved moisture conditions and in most sections of the province the surface soil has now a good supply of moisture and conditions are at present favorable for germination. The soil is also reported in good condition for cultivation and is working up nicely. Spring growth has been somewhat slow due to cool weather but during the last few days warmer weather has resulted in more rapid growth and some early sown fields are beginning to show green. Fall rye is in fair condition and has been making good growth recently. It is pointed out by one correspondent that brown spots, perceptible in some fall rye fields due to lack of moisture last fall and early this spring, are disappearing with more moisture. Recent rains have checked soil drifting for the present and no damage has been experienced from this source since seeding began. Pastures are coming slowly and live stock generally are in fair condition although somewhat thin in some of the southern districts due to limited supplies of fodder. Roads are generally in fair condition but are somewhat rough in places.

HEAVY RAIN IN WEST HINDERS SEEDING

Seeding operations throughout Canada are somewhat later than they were a year ago due to heavy rains in most parts of the Dominion. No drifting of top soil is reported from Western Canada and seed is going into the ground under more favorable conditions than for some years past.

Manitoba is farthest ahead in seeding operations, about 75 per cent of the work being done as compared with only about 30 per cent in the other Prairie Provinces. A week or two of dry weather is required in the northern sections where seeding is just getting under way.

Due to the lateness of the season wheat acreage will be about 10 per cent less than a year ago, this loss being made up by increases in oats and barley. Many districts report an increase in acreage devoted to sweet clover and other fodder crops showing a trend toward farm diversification.

Increased acreage under cultivation is expected in the Maritimes, with the exception of Prince Edward Island. Smaller acreage under potatoes is assured owing to the unsettled market for this crop,

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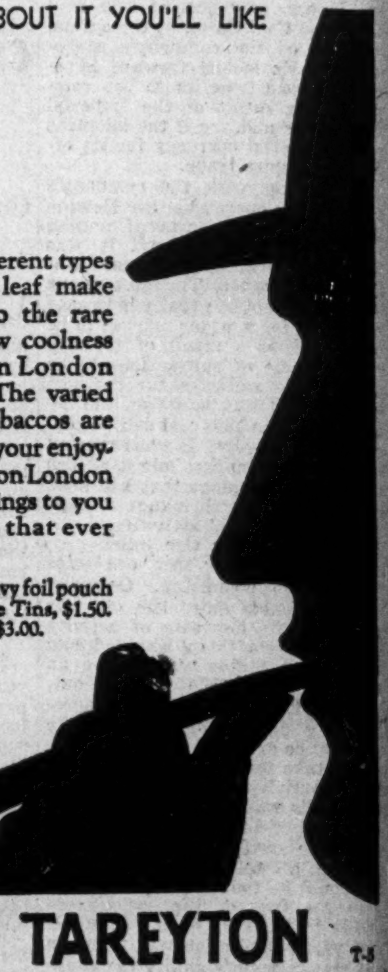
In hermetically sealed heavy foil pouch packages, 25c. Also Home Tins, $1.50. Humidor Jars, $1.50 and $3.00.



HERBERT TAREYTON T-5
LONDON SMOKING MIXTURE

Lower Fruit Freight From B. C.
Effective May 15, there will be a reduction of 60 cents per hundredweight on express rates on berries and cherries from Pacific Coast points to Toronto and Montreal. The new rate will be $4 per hundredweight.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security.

The service, in other words, is one of fact and not of opinion.

Customer Ownership Provides New Capital

Despite Depression; Sale of Securities to Customers By Employees Carries on in U. S. and Canada

By PERCY H. WHITING*

The time when the average company can again meet its capital requirements in the conventional way is nearer than it was in October, 1929—by about two and a half years. Yet it is still not near enough so that the average investment banker dares even to hazard a guess as to when normal underwriting can be resumed.

Yet, as time passes, the need for raising capital for some companies and the advantage of raising capital for others steadily increases.

Public Utilities Led Way

The situation with many industrial companies today resembles that of the public utilities back in their dark days of 1918-21. In those days many utilities could not, by any known means, raise needed capital. So they invented a method —Customer Ownership. "If our bankers cannot sell our securities," they said, "we shall do it ourselves."

And they did.

They used their own employees as salesmen—they used their own customers as prospects. The employees sold, the customers bought, and Customer Ownership was born. Since that day, now nearly 15 years ago, when the first employee of an electric company sold the first stock to a customer, the utilities of the American continent have sold to their customers, largely through employees, over one and one half billion dollars worth of securities.

Some Show Increases

The utility companies have largely continued their Customer Ownership selling right through the depression period. Several of them reported a greater volume of sales in 1931 than for 1928! Further than that, some few of the stronger utility companies have been able to secure bankers to underwrite bond issues for them, despite the depression. Possibly the fact that these companies had built themselves into a strong equity position as a result of selling preferred and common stock to customers may have had something to do with their ability to finance when less favorably situated companies could not.

What Employees Can Do

It might be reasonable to suppose that, at a time when expert salesmen of strong security houses could sell only a small volume of securities, the employees of say a gas, electric, telephone, ice, dairy or a petroleum company or a newspaper chain could not sell any at all. Yet the records show that the employees of most utilities have sold successfully to customers through the depression—in volume equal to 1928 and in several cases ahead of it. Nor have the sales all been by utility employees. To take just one example, the employees of a large oil company in 12 days in 1930 sold over $5,292,000 of a common stock largely to customers of that company. A dairy organization last year sold $2,800,000 of a 6 per cent debenture bond at par; a newspaper group sold to employees and subscribers over $750,000 of a 6 per cent stock at par.

The people who buy securities in Customer Ownership sales are largely people who have money in the savings bank at 3 or 4 per cent —or hoarded and drawing no interest or dividends. Some of them gladly invest in a home industry —as figures prove.

Must Be Good Security

Obviously no company could more certainly and speedily commit commercial suicide than to put out among customers a security which would promptly default on dividends or interest. Probably motives of self-preservation have had much to do with keeping shaky companies from resorting to Customer Ownership financing. Certainly, to date, the mortality rate among securities sold to customers by employees has been gratifyingly low.

Obviously, from facts here presented, it is apparent that, even under present trying conditions, Customer Ownership is—for some companies at least — a profitable and practicable method of financing.

What this means to companies with great need for financing or great desire to take advantage of today's bargains is apparent.

Gives Financial Independence

Customer Ownership has another advantage which is just beginning to be realized—it is, for example, a step toward financial independence. One great company that operates to some extent in Canada (Cities Service Company) is perhaps an outstanding example. By Customer Ownership and other forms of self-financing it has put itself beyond the domination of any outside organization. Financially, it is its own boss.

Naturally, Customer Ownership is not now and never will be a substitute for underwriting. It does, however, have these advantages— first, that it enables any sound company to do a material part of its own financing and—secondly, it makes it possible to put out a material volume of equity securities so that, when a bond issue is needed it will be attractive and can easily be sold at a favorable rate and at a low cost.

The writer is of the opinion that the next five years will see Customer Ownership spread among the industrial companies of Canada as rapidly as it has spread among the utilities in all of North America and with equally satisfactory results.

*Mr. Whiting is president of P. H. Whiting & Co., New York, specialists in customer ownership campaigns. He has directed several such campaigns in Canada including, it is understood, the first one ever attempted in this country.

South. Canada Power

For a long time the preferred stock of Southern Canada Power Co. was quoted at 106. Now I see that the stock is traded around 88. What is the reason for the sudden drop in the price of these shares? Are earnings lower?

Judging from earnings in the first half of its current fiscal year, the decline in values of Southern Canada Power preferred stock is due entirely to a market condition. Earnings for the six months ended March 31, 1932, were $739,-719 or only $3,967 below those of the same period in the previous year. Regarding the stock: it is our understanding that the sponsoring house had up till recently supported the market for the preferred stock at 106. This support has now been withdrawn and share values are more in line with general market levels.

R. Simpson Preferred

I have some preferred shares in the original Robt. Simpson Co., which I purchased twelve or fifteen years ago. I have always considered these a rather high class investment, but latterly there have been rather disturbing rumors as to the Simpson Company generally, and I have been wondering to what extent this affects the stock of the Robt. Simpson Co., which was supposed to be unaffected by the reorganization under the name of Simpson's.

I also have some bonds of General Steel Wares. They are apparently having rather tough going and I have been wondering if the interest on these bonds is in jeopardy. Would you suggest trading them for some other bonds, and in that case would you consider the bonds of Abitibi Company as a better investment? I would appreciate any suggestions you can give me as to these securities.

There would have to be a much larger drop in profits of the Simpson Co. before it would affect the dividends of the preferred stock of the Robert Simpson Co. You are correct in supposing that all payments on securities of the Simpson Co. come after the preferred stock of Robert Simpson Co. It is obvious, of course, that the dropping of dividends on junior stocks of the Simpson Co., is a means of conserving funds and relieves the company at the present strenuous time of obligations which were quite onerous. Apparently there is no present reason to fear deferring dividends of the preferred stock of Robert Simpson Co. and payments for the future will depend in great part on whether the present financial depression is prolonged or there is some recovery. This company, like all other merchandising companies, has been affected by the present situation in that it has to make large inventory write-offs in a time of declining commodity prices, it has to meet the public's ideas as to price and value at whatever cost and it has found it difficult to make advantageous purchases abroad because of the higher tariff and the fluctuating currencies and the regulations as to valuations which have therefore been enacted by the Dominion Government. When currencies, business and conditions become stable again, improvement is hoped for.

General Steel Wares has been having rather tough going as you say and is trying to carry on in a way which will permit it to continue service on the bonds. Recovery of business would be of exceedingly great value to this company and much depends on the course of business during 1932. The difficulty about suggesting a trade, which is in any case against the policy of The Financial Post, is that this position is quite well understood and you would have to take quite a low price on the bonds. Whether the bonds of the Abitibi Company would be a better investment or not it is difficult to say. There has been great anxiety lest the interest due on June 1 would not be paid. Though the company has met the sinking fund requirements by retiring $880,000 of its bonds on April 25, the general low state of business in the newsprint industry still keeps up considerable uncertainty as to the position. Some close to the company apparently are confident that the interest will be paid, but we would not care to predict even three weeks ahead on the situation. The company has a good record but present newsprint situation for the moment over-rides the other investment criteria and anxiety will last until demand grows and stability becomes once more evident.

Ontario Power Bonds

We would appreciate very much having your opinion on Ontario Power and Service Corporation bonds.

With regard to Ontario Power and Service Corp., much depends on the company being able to arrange financing to complete its project by October 1, at which time it is under contract to begin service in delivering 85,000 horsepower to the Ontario Hydro-Electric Commission at Sudbury. It is financed for the work until about the end of June, and negotiations are going on at present for additional money to carry the work to completion. Apparently the contracts with Hydro-Electric Commission and with Abitibi Power and Paper Co. to take power for use in its Iroquois Falls mills would be sufficient to look after the bonds of this company unless something entirely unforeseen occurred. First, however, it is essential that the project be completed by October 1, 1932, as that is part of the contract. It is probable that the additional money will be secured.

Empresas Mexicanas

I am taking the liberty of asking you for information regarding a Mexican concern, Empresas Mexicanas. I had ten shares of Northern Mexican Power and Development Co. preferred, which I exchanged for Empresas Mexicanas 7 per cent preferred, in recent reorganization, acton the advice of the president of Northern Mexican Power. I received one or two dividends and now the preferred dividend seems to have ceased. Can you tell me if the preferred dividend has been discontinued or give me any other information regarding this concern?

The Northern Mexico Power and Development Company was incorporated in Ontario in 1919, but it is now controlled by the Mexican subsidiary of American and Foreign Power Co., Empresas Electricas Mexicanas, a Delaware corporation. Preferred shares of the two companies were exchanged share for share and the preferred dividend was omitted shortly after. Depressed exchange and general business conditions apparently precipitated the move. Empresas Mexicanas is engaged in consolidating operations of all Mexican subsidiaries. Outlook depends on exchange and business improvement.

Imperial Oil

I would like to take this opportunity of making an enquiry re common stock of Imperial Oil. I understand it is selling at about $8 per share. How does this price compare with that of ten years or so ago, taking into consideration the various split-ups, etc.? In other words will you trace an imaginary investment of $1,000 made 10 years ago?

You ask what prices of Imperial Oil were ten years ago as compared with today, and you ask how $1,000 invested in this stock ten years ago would have fared. The equivalent price of this stock in 1922 would have been a range from $6.19 a share to $8.17 a share. At present prices, after a lapse of ten years, the prices are therefore today just equivalent to the high prices of 1922.

The high prices of ten years ago were evidently in anticipation of future profits which have been realized. If you bought nine shares of Imperial Oil for $1,000 early in 1922 there would have been two splits, one in 1924 bringing your nine shares to thirty-six shares and one in 1929 changing the thirty-six shares to 144 no par value common shares. Interest received on the nine shares during this time would have been as follows: 1922, $27; 1923, $36; 1924, $27; 1925, $36; 1926, 45; 1927, $54; 1928, $54; first payment 1929, $18 and other payments $54; 1930, $144; 1931, $72, making $567 for the decade which is at the average rate of $56.70 per year or $6.30 a share on the average each year.

If there had been no splits in the stock, the equivalent now of $8 a share would be $128 as compared with the low of $97.50 and a high of $130.75 in 1922.

Purchased at 8 the yield at the present dividend rate of 50 cents a share is equivalent to 6.25 per cent on the money of the purchaser. If you had bought the stock early in 1915 you would have received in that year a stock dividend of 100 per cent and in December, 1917, rights to buy one new share for every five held. The stock was split four shares for one in 1919 and rights to buy one new share for every six held were given in 1920 and rights to buy one new share for every ten held in 1931.

Brazilian

I bought Brazilian common stock at 41 and have held continuously in the hope that business improvement would help the stock. The decline has continued almost to the present. Is there any decline in earnings of the company as well? I will hold on if there is any chance.

There has been a decline in earnings of Brazilian Traction but not sufficient to cause much anxiety to shareholders. It is the position of the Brazilian milreis which causes the greatest anxiety as earnings of the company are in milreis and have to be changed into Canadian dollars in order to pay dividends. Obviously, if the milreis were to depreciate further, it would require much more milreis than at present to pay the dividend. An improvement in the position of the milreis depends on the position of Brazil as a country improving, and the following of conservative measures with regard to the issue of currency, balancing of the governmental budgets and getting its chief crop, coffee, on a reasonable production basis again. This will take some years to work out at least, but on the whole recent measures taken by the provincial government are in the right direction.

Alberta Pacific Grain

Will you kindly furnish us with your opinion regarding bonds of the Alberta Pacific Grain Company Limited, issue of June 1, 1946? We understand that these bonds are being offered at around 74 and should appreciate your advice as to whether it would be a good time to sell.

The Financial Post does not give opinions as to the proper times to buy or sell except as these can be deduced from articles appearing from week to week in its columns. Alberta Pacific Grain Co., has had the problem of recovering from losses made by ill advised speculations a few years ago and apparently is making a good job of it. However, the lower crop of last year may affect the earnings adversely during the current year. A good crop in the current year might be of great assistance to it as a large crop gives more opportunities for handling and storage.

There is a working capital deficit, bank loans on June 30, 1931, were $1,689,080, but bond interest last year was earned 2.76 times after depreciation. The company has a long and, in most years, profitable history.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Consolidated Smelters

I have been holding shares in Wright-Hargreaves for five years, and wonder if it wouldn't be a good chance to sell and buy Consolidated Smelters. I am not particular about the dividend. I want something to hold for some time for increase.

Wright-Hargreaves Mines has staged a welcomed come-back during the past year, and is currently producing more gold than at any time in its history. At the same time it has increased its ore reserves as well as its prospects for ore at depth. The company's earnings in 1931 were approximately 22 cents per share. The outlook for earnings in 1932 is for some improvement. The company is carrying on an extensive deep development programme between the 2,250 and 3,000 ft. levels and has been meeting with considerable success and its future is closely tied up with its ability to prove up massive ore bodies of commercial grade assuring that the present profitable operations might continue over a term of years.

There is a possibility that if the new ore developments at depth prove up as presently indicated that an increase in the milling capacity will be made with its corresponding increase in gold production and earnings. At current prices the stock is giving a fair yield plus a speculative element due to its deep development making possible greater discovery.

In Consolidated Mining & Smelting Co., one of the great mining and metallurgical operations of the world which at current market prices of the company's stock gives a market valuation of about $21,-500,000 and while average earnings in the past seven years have been almost one-half of this amount. By way of contrast it is interesting to note that Teck-Hughes is today selling at almost 90 per cent of this figure. Consolidated Smelters has just completed a large expansion programme establishing a new line of effort for the company — chemical fertilizer. While it is true that the company's earnings this past year showed a loss, consideration must be given to its increasingly diversified activities and the fact that its principal products, lead and zinc, are at the revival of lowest prices in history. The future of Smelters rests largely with improved world conditions at large and to one that has faith in the industrial activity of Canada, Consolidated Smelters has a strong appeal as an investment. We can see but little promise of dividends being earned by Smelters during 1932, and indications are that they will be passed, and it is quite obvious that the present market price of the stock is giving little consideration to present or immediately future dividends, but rather to the long-term outlook for the company.

HAYES WHEELS RETAINS GOOD CASH POSITION

Lost $153,363 on Operations; Added New Products

Hayes Wheels & Forgings Ltd. had a deficit of $153,363 on operations in 1931, which, together with write-offs on inventories and investments and loss on sale of properties reduced surplus by $225,826 without provision for depreciation. In 1930, the company lost $67,435 on operations. Dependent largely upon the automotive industry for its business the company has been affected by business conditions in that field and during the latter part of 1931 operations were extended to include the marketing of radios, electric refrigerators, gas furnaces and high tension transmission-line hardware.

Working capital position of the company was lowered as a result of 1931 operations but current assets remain liquid and current liabilities are lower than in 1930. Included in current assets is cash at $226,489; accounts and bills receivable at $68,256, after reserve of $20,604; inventories at $265,341 and life insurance at $12,750. Inventories at the end of 1930 amounted to $394,570 and during 1931 $51,174 was written off this item. Current liabilities consist of accounts payable. Working capital position at Dec. 31, 1931, and 1930, compare as follows:

Working Capital

	1931	1930
	$	$
Current assets	572,836	816,564
Current liabs.	74,742	83,335
Working capital	498,094	733,229
Ratio	7.66—1	9.80—1

Investments in, and advances to, subsidiary companies show little change at $127,683 while fixed assets have been reduced to $1,785,274 from $1,849,515 due to sale of property on which there is provision for loss of $8,218. No depreciation was allowed in 1931 and reserve stands at $778,-611. Provision for this item averaged some $121,000 annually from 1927 to 1930, inclusive. Deferred charges are shown at $28,064.

Amount of first mortgage bonds outstanding is $454,000, reduction of $35,700 since 1930. There is also outstanding $1,431,000 of seven per cent cumulative preferred stock and 68,-000 shares of no par common. Dividends on the preferred stock have not been paid since September 30, 1930, and at the annual meeting on May 6 the preferred shareholders elected a majority of the board of directors.

The directors of the company are B. B. Cronyn, W. W. Evans, E. J. Bennett, Dr. McGibbon, J. H. Ratcliffe and A. D. Chaplin, who represent preferred shareholders, and G. G. Hood, Hon. J. D. Chaplin, C. A. Dana, R. E. Carpenter, William Kistler and A. F. Fifield.

Income and surplus account of the company for the past two years is as follows:

CONS. INCOME AND SURPLUS ACCT. Years Ended Dec. 31

	1931	1930
	$	$
Net earnings*	†153,363	†67,435
Less: Deprec.	....	94,802
Bond interest	....	31,457
Income tax	3,071	....
W/o inventories ..	51,174	....
Net profit	†207,608	†193,694
Less appropriations:		
Pref. dividends ...	....	30,503
Com. dividends ...	....	32,500
Surplus for year	†207,608	†256,697
Add: Prev. surplus .	807,198	1,113,895
Less: Loss on sale of plant etc.	8,218	....
Appro. against inv.	10,000	50,000
Bal. carried forward	581,372	807,198

*Profit from operations and other income, after providing for all manufacturing selling and administrative expenses.

†Loss.

Manitoba Mineral Production

A report issued by George E. Cole, director of mines for the Province of Manitoba, shows the value of the province's precious mineral output in 1931 at $10,004,209, or almost double that of 1930. If to this list is added coal, natural gas, gypsum, sand, gravel, stone and clay products the total production value rises to $12,889,049.

4%

paid on deposits—subject to withdrawal by cheque.

CENTRAL CANADA LOAN AND SAVINGS COMPANY

KING AND VICTORIA STS., TORONTO

23 SIMCOE ST. N., OSHAWA

ESTABLISHED 1884

Canadian Hydraulic Power 80 p.c. of Empire Total

In spite of the increased use that has been made of hydraulic sources, says a report to the Dominion Bureau of Statistics, only a very small fraction of the total available is in use. The following figures represent approximately the horse-power in use at the end of 1930 in each territorial unit of the British Empire:

Canada 6,125,000 h.p., British Isles, 466,000, India, 350,000, New Zealand, 253,100, Newfoundland, 161,500, Tasmania, 85,000, Malaya, 48,000, Australia, 35,500, South Africa (including the Rhodesias) 30,000, British West Africa, 6,600, British East Africa, 3,900, British West Indies, 1,200, Ceylon, 500, British Guiana and British Honduras nil, British New Guinea and British Borneo nil. Total 7,566,300.

When a SECOND—
Seems as Long as a MINUTE!

An Extension Telephone *at your bedside* brings help

Northern Electric COMPANY LIMITED

A NATIONAL ELECTRICAL SERVICE

SAINT JOHN, N.B. HALIFAX QUEBEC MONTREAL OTTAWA
TORONTO HAMILTON LONDON WINDSOR NEW LISKEARD
SUDBURY WINNIPEG REGINA CALGARY EDMONTON VANCOUVER

RANGES, WASHERS, RADIOS, IRONERS, HOUSEHOLD ELECTRICAL APPLIANCES, TELEPHONES AND INTERPHONES, SOUND AMPLIFYING APPARATUS, LAMPS, ILLUMINATION FOR HOME, OFFICE AND INDUSTRIAL PURPOSES, FITTINGS, WIRING DEVICES, ELECTRICAL CONTRACTORS' SUPPLIES, STREET LIGHTING, FLOOD-LIGHTING.

OVERHEAD AND UNDERGROUND MATERIALS FOR HIGH AND LOW TENSION LINES. POWER APPARATUS—MOTORS, TRANSFORMERS, CONTROL APPARATUS. INSTRUMENTS AND METERS. WIRE AND CABLE. ALARM AND SIGNAL SYSTEMS.

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Insurance for Buyer and Seller

NOT YET SURE IF SUICIDE TOLL HAS SLACKENED

Life Companies Record Slight Improvement in First Quarter

Canadian life companies are still uncertain as to whether or not the heavy mortality caused by suicide, which has been mounting steadily in recent years, has abated.

Official government figures are only available for the first nine months of 1931 and in that period there were 767 deaths from this cause, a figure almost identical with the corresponding figure in the previous year. In the third quarter of 1931, the figure was 272 as compared with 261 in the same period in 1930. The final quarter of the year is usually the quietest as far as suicides are concerned but perhaps the steady decline of business and security markets reversed the trend in 1931. No official figures will be available till the end of June.

First Quarter Improvement

Insurance company experience would seem to indicate that 1932 is showing some improvement. Canada Life Assurance Co. officials, for instance, say that in the first three months of 1932, suicide claims in proportion to total deaths have only been 3 per cent of total death claims (on the basis of number of claims) as compared with 3.5 per cent in 1931 and 3 per cent in 1930.

During 1931 Great West Life Assurance Co. reported 37 suicide claims paid out of a total of 1,009 during the year, indicating a ratio of about 3.66 per cent. In January, 1932, this company reports payment of no less than 5 suicide claims out of total claims numbering 56, or a ratio of nearly 8 per cent.

Imperial Life Assurance Co. analyzed suicide claims for 1930, 1931, and for the first four months of 1932, and found that so far this year there had been a substantial falling off in deaths from this cause. The figures cover only claims on the company's own business without including claims on account of reinsured business. The ratio of number of suicide claims to total claims was 3.1 per cent in 1930; 3.0 per cent in 1931 and 1.4 per cent in the first four months of 1932. It is pointed out that in addition there have been many claims recently from carbon monoxide poisoning and other apparently accidental causes which are thought to have been in reality suicides. None of these are included, however.

Figures prepared by Confederation Life Association for The Financial Post show that for this company the number of suicides in proportion to total claims reached a peak in 1930 and declined slightly in 1931, but that the total amount of money paid out on account of suicide claims was at its highest point in 1931. The figures include reassurances and the ratio of the number of suicide claims to total death claims is shown at 4.1 per cent in 1931; 4.6 per cent in 1930 and 3.6 per cent in 1929. The amount of money paid out in suicide claims in proportion to total value of claims paid, reached 7 per cent in 1931; 6 per cent in 1930 and 4.9 per cent in 1929. This company compiles its figures only on an annual basis, therefore no data are available for 1932.

Official government figures show that for several years until 1931, the rate had been increasing. In 1926 there were 680 persons who voluntarily went to their death, the rate being 7.2 per 100,000 of the population. In 1929 the number was 835, and the rate 8.3, while in 1930 there were 1,010 suicides, the rate being 9.9.

Mostly Male Suicides

The growth in suicide that took place up to 1930 was chiefly by males between the ages of 30 and 60. In 1930 there were 538 of these, an increase of 35 per cent over the year before.

Men are far more prone to suicide than women. In 1926 there were 543 males and 137 females who died by their own hand, while in 1930 there were 805 males and 205 females.

Ontario supplies the largest number of suicides. The 1930 figures show: Ontario 404, British Columbia 141, Saskatchewan 127, Quebec 114, Alberta 113, Manitoba 78, Nova Scotia 17, New Brunswick 15 and Prince Edward Island 1.

The form of suicide most favored is by firearms, 252 having died by shooting in 1930, 213 by hanging or strangulation, 112 by corrosive substances, 111 by drowning, 110 by taking poison, 91 by cutting, 64 by poisonous gas, and 31 by jumping from high places.

THE
ONTARIO EQUITABLE
LIFE AND ACCIDENT
INSURANCE COMPANY
Head Office — Waterloo, Ont.
Assets (Dec. 31, 1931) $ 8,125,139
Policy Reserves 6,846,054
Insurance in Force ... 51,355,672

Monarch Accident Business Merged in Protective Assoc.

Reinsurance of all the Canadian business of the Monarch Accident and Insurance Co., of Springfield, is announced by the Protective Association of Canada. As a result, all policyholders in the former company will now become part of the latter organization with headquarters at Granby, P.Q. The Protective Association will set up a Toronto branch office which will be known as the company's Monarch branch and all the reinsured business will be handled henceforth from this Toronto office.

Reason for the closing of the Monarch business in Canada which, at the end of 1931, represented a premium volume of $89,591 in the field of combined accident and sickness insurance, is said to be the fact that the parent organization in Springfield has organized a new company known as the Monarch Life and, although anxious to continue to do business in Canada under that name they were not permitted to do so, due to the existence in Canada of the old-established Monarch Life, of Winnipeg. Accordingly, they decided to withdraw from the Canadian field entirely.

Amalgamation of the Monarch policyholders with those of the Protective Association is a logical move since these two organizations carry on a similar type of business, both writing a combined accident and sickness policy among Masons only. Protective Association has been in business in Canada since 1907 while Monarch Accident has had a federal license since 1925. Premium income of Protective Association in 1931 totalled $418,119, it being by far the largest company writing this type of business in the Dominion. Its loss ratio in 1931 was 66.4 per cent while the loss ratio of Monarch on the premium volume already stated, was 62.4 per cent.

Protective Association has between 500 and 600 agents throughout Canada and nine in 1928 obtained an unrestricted charter from the federal government which will allow it, if desired, to write business outside the Masonic fraternity which now comprises its exclusive clientele. Authorized capital was also increased at that time from $50,000 to $500,000. According to J. G. Fuller, secretary and assistant manager of the company, the Association does not plan, for the present at least, to expand its field of operations.

GENERAL ACCIDENT HAS GOOD YEAR

Premium Volume Lower But Expenses Cut and Losses Down

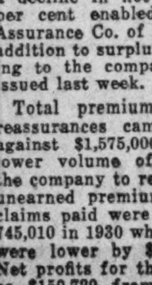
A drop in premium income of 15 per cent which was met by a saving of 17 per cent in general expenses and a decline in net claims paid of 16 per cent enabled General Accident Assurance Co. of Canada to report an addition to surplus of $116,979 according to the company's annual report issued last week.

Total premium income including reassurances came to $1,310,000 as against $1,575,000 a year ago, the lower volume of business enabling the company to reduce its reserve for unearned premiums by $53,378. Net claims paid were $622,783 as against 745,010 in 1930 while general expenses were lower by $112,000 at $522,670. Net profits for the year are reported as $150,729 from which a dividend was paid of $33,750 or 25 per cent on the capital stock.

Book value of investments, the report shows was $1,339,700, or a gain of nearly $136,000. Partly as a result of investments made during the period, cash was reduced from $142,529 to $53,260. Out of total investments exclusive of head office, over 88 per cent represents bonds and debentures. Among liabilities the company shows a surplus of $1,261,000 as compared with $1,144,000 in 1930.

Two New Appointments By North American Life

North American Life Assurance Co. announces the appointment of H. C. Henderson as manager of the company's Bloor St. branch, Bloor and Bay Sts., Toronto. Mr. Henderson has been with the company since 1911 and succeeds J. H. Mulholland who has entered the general insurance field although still retaining his contact with North American.


H. C. Henderson

North American has also opened a district office at Kitchener to which F. M. Hearn has been appointed manager. Mr. Hearn has been the company's local representative in that community.

Insurance Inklings

G. L. HOLMES, assistant actuary of the Manufacturers Life Insurance Co. and A. R. FERGUSON, superintendent of agencies of the company, recently visited the Maritimes on a tour of the company's agencies and branches.

A. R. COURTISS, manager of the estates analysis department of the Toronto General Trusts Corp., recently addressed the Life Underwriters Association of the Border Cities.

EAST WINDSOR'S public liability policy on streets and public buildings has been awarded to Globe Indemnity Co. The former policy which expired last week was with the Western Assurance Co. No reason was given for the change except that until last year the policy had formerly been with the Globe company.

OTTAWA taxi-drivers must in future carry public liability and property damage, insurance and must file their policies with the chief of police, the Board of Police Commissioners of that city have decided.

STANLEY ALLEN has been appointed manager of the Toronto branch of the Empire Life Insurance Co. He was formerly at Brantford.

Saskatchewan Life Insurance Company announces the following staff changes:

F. W. SNELL has been appointed branch manager for Southern Alberta with headquarters at Calgary.

W. E. GRAY has been appointed branch manager for northern Saskatchewan with headquarters in Saskatoon.

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

OFFICIALS EXPLAIN INSURANCE VIEW ON INVESTMENTS

Further Refutation of Charge That Maritimes Gets Cold Shoulder

Comment of two more officials of leading life insurance companies was received this week giving their views as to the diversification of investments as between different localities in Canada, and more particularly their practice in regard to investments in the Maritime provinces.

Their remarks follow publication in The Financial Post of April 30, of correspondence from Halifax complaining that insurance companies were discriminating against the Maritimes in their investments.

G. Cecil Moore, assistant general manager of the Imperial Life Assurance Co., and president of the Canadian Life Officers' Association for 1932, writes as follows:

"The principle upon which our company has invested its funds in Canada is that we should endeavor to get, in the interests of our policyholders, the best return possible consistent with sound security and with a wide diversification. This principle would to a certain extent at least, be destroyed were we compelled to apportion any class of investments, such, for example, as that particularly referred to in your letter, namely, mortgage loans, in any definite proportion among the various provinces.

"So far as our own company's experience goes, there has been very little demand for mortgage loans from the people of the Maritime provinces—not sufficient to justify the companies, particularly those west of Montreal, in setting up local loaning organizations, which are necessary when any considerable number of loans are made. Also the financing of the Maritime provinces in respect of mortgage loans, and in other respects, has been pretty well taken care of by the people of those provinces themselves, or by institutions in Montreal and cities east of Montreal, leaving little opportunity for lending institutions situated west of Montreal to share in these investments. There has, therefore, been no conscious discrimination against the Maritime provinces by the life companies when investing their funds."

H. R. Stephenson, general manager of the Crown Life Insurance Co., writes in somewhat similar vein, his opinion as expressed to The Financial Post being also reprinted as follows:

"I imagine life insurance companies, like most other companies and individuals, invest their funds where they believe it will yield the highest rate consistent with safety. I have yet to find any policyholder who is willing to pay a higher premium or accept a lower dividend in order that his life insurance company may exercise a spirit of charity in its investments.

"So far as the Maritime provinces are concerned, being an older section of the Dominion and one which has not been developed rapidly in recent years, the opportunities for attractive investment either in bonds or mortgages have naturally been smaller than in some other sections. However, in the last year or two I think the life companies have purchased bonds of those provinces and the principal cities in substantial amounts. As for mortgages, I think some of the companies maintain a loaning agent in Halifax or St. John. The smaller companies naturally do not find it economical to do this. The whole mortgage field in a city like Halifax is comparatively limited and is pretty well taken care of by local lenders. So far as making mortgage loans without a reliable man on the spot, this would undoubtedly be a very unwise procedure."

Ontario Auto Premiums Decline 6 Per Cent in '31

Net premiums written by companies operating in the automobile insurance field in Ontario during 1931, declined 5.9 per cent to $8,846,082, according to figures published by the Ontario Insurance Superintendent this week. Net premiums earned increased 18.8 per cent while losses incurred mounted 5.1 per cent.

The average loss ratio in all casualty lines was 48.6 per cent as compared with 46.66 per cent in 1930. Livestock, hail and aviation insurance all showed losses of over 100 per cent.

Detailed figures as published by the superintendent for automobile and other casualty lines follow:

(a) Casualty Insurance

Class of Insurance	Net premiums written $	Net losses paid $	Ratio %	Net premiums earned $	Net losses incurred $	Ratio %
Accident	1,365,844	676,586	49.5	1,406,780	649,943	46.2
Accident & sickness comb.	1,027,531	590,083	57.4	1,029,736	608,976	59.1
Aviation	24,678	28,774	116.6	20,602	18,190	88.3
Bond	41,063	16,059	39.1	34,845	27,217	78.1
Burglary	521,727	111,114	21.3	475,314	113,138	23.8
Credit	145,521	102,417	70.4	153,412	102,417	66.8
Explosion	—37	220	...	717	220	30.7
Forgery	14,201	1,723	12.1	8,824	2,817	31.9
Guarantee	943,880	630,064	66.7	992,208	434,804	43.8
Hail	47,861	48,061	100.4	47,861	48,061	100.4
Inland marine	151,197	127,273	84.2	150,292	124,275	82.7
Inland transportation	561,519	112,554	20.0	546,822	121,815	22.2
Liability	942,018	407,537	43.3	951,296	506,956	53.3
Live stock	25,699	47,937	186.5	31,619	28,202	89.2
Ocean marine	256,524	134,229	52.3	253,191	118,046	46.6
Plate glass	265,144	94,637	35.7	269,144	95,193	35.4
Property	172,262	34,227	19.9	168,535	34,151	20.3
Sickness	599,821	392,765	65.5	614,313	402,163	65.5
Steam boiler	238,938	8,856	3.7	241,599	9,384	3.9
Weather	104,882	57,376	54.7	*79,671	*42,524	53.4
Total	7,450,280	3,622,500	48.6	*7,476,792	*3,488,502	46.7

* Excludes mutual weather insurance companies operating on the premium note plan

(b) Automobile Insurance

	$	$	%	$	$	%
1925	3,463,149	......	...		1,631,926	...
1926	3,743,532	1,881,330	50.2	3,657,994	2,037,903	55.7
1927	4,643,948	2,576,430	55.5	4,295,003	2,835,352	66.0
1928	6,280,675	3,156,627	50.3	5,670,656	3,603,260	63.5
1929	8,324,146	4,182,537	50.2	7,520,896	4,314,383	57.4
1930	9,361,901	4,161,459	44.3	8,934,508	4,378,698	49.0
1931	8,846,082	4,323,517	48.9	8,977,624	4,601,104	51.2

Current Events in Banking World

Increase In Current Loans Is First For Six Months

Call Loans Abroad Fail to Hold All of Previous Month's $33,000,000 Gain

Increase of current loans is the principal feature of the March chartered bank statement, this being the first upward move since October, 1931, while there is also a slight increase in Canadian call loans for the first time since September, 1931.

Call loans abroad show a decrease of $10,820,504 from the previous month but this is more than offset by increase in deposits with foreign banks. Provincial loans are lower following the recent permanent financing but municipal loans are greater by almost $10,000,000.

Demand deposits are increased about $4,000,000, this being the first increase since November but savings deposits are slightly lower. The Financial Post credit ratio stands at 63.5 per cent compared with 63.2 per cent in February and 63.7 per cent a year ago.

The statement as analyzed by The Financial Post is as follows:

ASSETS

	Mar. 1932 $	Feb. 1932 $	Change $	Mar. 1931 $	Change $
Immediately Available Liquid Resources					
Specie	58,702,197	62,593,953	— 3,891,756	69,185,696	— 10,483,499
Dom. notes	116,934,203	123,813,981	— 6,879,778	100,110,463	+ 16,823,740
Gold reserve	23,631,732	20,081,732	+ 3,550,000	27,030,866	— 3,399,134
Foreign banks	95,864,410	79,360,425	+ 16,503,985	116,629,712	— 20,765,302
Foreign curr.	14,378,253	13,213,996	+ 1,164,257	15,379,898	— 1,001,645
Govt. secs.	466,398,513	460,030,113	+ 6,368,400	437,601,325	+ 28,797,188
Call loans ab'd	88,133,989	98,954,493	— 10,820,504	137,060,606	— 48,926,617
	864,043,297	858,048,693	+ 5,994,604	902,998,566	— 38,955,269
Loans and Securities Other Than Those of Canadian Government					
Public secs.	144,773,321	142,735,279	+ 2,038,042	150,029,997	— 5,256,676
Railway secs.	60,390,115	60,985,568	— 595,453	61,057,180	— 667,065
Can. call loans	130,714,542	129,767,733	+ 946,809	175,371,017	— 44,656,475
Current loans	1,070,513,920	1,063,394,898	+ 7,119,022	1,115,150,957	— 44,637,037
Loans abroad	188,761,877	190,654,928	— 1,893,051	224,335,190	— 35,573,313
Prov. loans	43,993,240	56,237,585	— 12,244,345	26,518,404	+ 17,474,836
Mun. loans	149,148,494	139,291,699	+ 9,856,795	127,823,209	+ 21,325,285
	1,788,295,509	1,783,067,690	+ 5,227,819	1,880,285,954	— 91,990,445
Other Assets					
Non-curr. loans	10,955,241	10,863,877	+ 91,364	7,922,031	+ 3,033,210
Real estate	6,782,269	6,650,184	+ 132,085	6,125,330	+ 656,939
Mortgages	6,271,389	6,262,595	+ 8,794	6,878,502	— 607,113
Premises	79,833,529	79,988,547	— 155,018	78,609,975	+ 1,223,554
Lets. of credit.	51,159,984	49,732,168	+ 1,427,816	72,808,761	— 21,648,777
Loans to comp.	13,030,639	12,470,386	+ 560,253	11,995,047	+ 1,035,592
Other assets	1,486,862	1,657,852	— 170,990	1,689,509	— 202,647
	169,519,913	167,625,609	+ 1,894,304	186,029,155	— 16,509,242
Total	2,821,858,719	2,808,741,992	+ 13,116,727	2,969,313,675	—147,454,956
Note cir. dep.	6,833,782	6,822,186	+ 11,596	6,809,043	+ 24,739
Int. bank bal.	97,173,485	96,819,872	+ 353,613	126,381,371	— 29,207,886
Gross	2,925,865,986	2,912,384,050	+ 13,481,936	3,102,504,089	—176,638,103
LIABILITIES — To the Public					
Circulation	132,568,016	134,291,993	— 1,723,977	139,422,962	— 6,854,946
Dom. govt.	86,112,287	79,764,052	+ 6,348,235	69,403,155	+ 16,709,132
Prov. Govt.	20,966,368	20,055,312	+ 911,056	20,434,183	+ 532,185
Govt. advances	32,000,000	35,500,000	— 3,500,000	6,500,000	+ 25,500,000
Deposits by Public					
Demand dep.	500,476,262	496,487,296	+ 3,988,966	579,319,111	— 78,842,849
Savings dep.	1,388,522,723	1,390,075,363	— 1,552,640	1,445,322,862	— 56,800,139
Total	1,888,998,985	1,886,562,659	+ 2,436,326	2,024,641,973	—135,642,988
Foreign dep.	308,121,620	305,818,182	+ 2,303,438	346,339,826	— 38,218,206
Due to Banks Abroad, Etc.					
Un. Kingdom	5,824,900	4,787,233	+ 1,037,667	4,107,472	+ 1,717,428
Foreign	56,600,150	52,022,156	+ 4,577,994	68,554,404	— 11,954,254
Bills payable	1,846,815	2,568,542	— 721,727	3,956,165	— 2,109,350
Lets. of credit.	51,159,984	49,732,168	+ 1,427,816	72,808,761	— 21,648,777
Other liab.	2,909,109	2,766,998	+ 142,111	3,394,354	— 485,245
Public liab.	2,587,108,234	2,573,869,295	+ 13,238,939	2,759,563,255	—172,455,021
Due bet. banks	10,138,276	9,835,474	+ 302,802	14,568,820	— 4,430,544
Liability to Shareholders					
Dividends	820,044	3,516,033	— 2,695,989	802,257	+ 17,787
Reserve	162,000,000	162,000,000	....	162,225,000	— 225,000
Capital	144,500,000	144,500,000	....	145,024,560	— 524,560
Gross	2,904,566,554	2,893,720,802	+ 10,845,752	3,082,183,892	—177,617,338
Credit index*	63.5%	63.2%	+ 0.3%	63.7%	— 0.2%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

BRITISH CANADIAN INSURANCE COMPANY
FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
ESTABLISHED A.D. 1917

Weekly Bank Clearings

Eastern Cities	May 8, 1931	May 5, 1932
Halifax	$ 3,658,652	$ 3,194,658
Saint John	2,861,816	1,991,510
Moncton	946,181	827,333
Sherbrooke	891,358	595,558
Quebec	7,427,690	4,509,357
Ottawa	10,073,442	5,084,286
Montreal	167,073,041	91,589,740
Kingston	867,324	704,886
Peterboro'	959,335	677,594
Toronto	145,070,855	89,,295,966
Hamilton	6,093,140	5,137,563
Kitchener	1,312,134	1,134,697
Brantford	1,168,975	696,740
London	3,892,811	3,111,557
Chatham	705,210	560,267
Windsor	4,071,306	2,780,680
Sarnia	655,427	422,132
Sudbury	814,480	529,,472
Western Cities	**May 8, 1931**	**May 5, 1932**
Fort William	$ 875,227	$ 686,968
Winnipeg	46,411,890	48,933,644
Brandon	501,577	401,815
Regina	4,070,955	4,877,585
Moose Jaw	1,301,729	666,254
Saskatoon	2,915,821	1,488,453
Prince Albert	470,101	325,664
Edmonton	4,852,060	3,952,025
Calgary	7,554,528	4,643,350
Medicine Hat	296,409	202,072
Lethbridge	438,958	367,920
New Westminster	771,970	634,083
Vancouver	17,696,636	13,855,374
Victoria	2,450,752	1,502,065

Bank Man Uses Plane In Race For Business

Depressed conditions make for keener competition. That this is true of banks as well as commercial concerns is well illustrated by the following story.

Two Canadian banks were competing for the business of a United States concern which proposed establishing a plant in Canada and when definite word was forthcoming that the branch plant would be established, representatives from the two banks left Toronto for the United States head office of the company.

Recognizing the truth of the old adage regarding the early bird getting the worm, one of the banks chartered an airplane for their representative. He got the business.

Ask Final Payment From Eastern Bank

On motion by the Rt. Hon. R. B. Bennett, a resolution that the Minister of Finance be authorized to pay to the estate of the late Angus McLean of Bathurst, N.B., the amount of the circulation redemption fund of the Eastern Bank of Canada came before the House of Commons recently and passed its second reading.

This bank was incorporated in 1928 but did not commence business and the sum involved comprises the amount deposited with the government as a guarantee against the issue of notes. It was stated in the house that, with the above exception, all the moneys paid in had been returned and there was no other claim on this fund.

Bank Chat

40,000 New Accounts

Winnipeg banks recently handled a tricky problem efficiently when they took over 40,000 accounts from the Provincial savings bank. These accounts, representing approximately $13,000,000, were taken over at a week-end in order that there should be no interruption in the service to the depositors of the government institution.

Calls for extra help went out to all the near-by branches of the eight chartered banks doing business in Winnipeg and this augmented staff worked in relays from Saturday evening until Monday morning. The work involved the division of the accounts among the banks, the adding, checking and balancing of interest and the taking over of signatures, powers of attorney and other legal forms. In addition, letters to each of the 40,000 depositors had to be sent out advising them of the location of their account. When the doors were opened on Monday morning the banks were ready to receive their new customers.

Imperial Bank of Canada announces the following changes in connection with its staff and branches:

H. T. HAYLOCK, formerly manager at Chase, B.C., has been appointed manager at Calgary, East End branch.

F. B. THOMSON, formerly manager, Hastings and Abbott Streets branch, Vancouver, has been appointed manager at Preston, Ont.

E. SMITH, formerly manager at Preston, Ont., has been appointed manager at Schomberg, Ont.

The following Imperial Bank branches are being closed during May: Chase, B.C., on May 14; Creston, B.C., Radville, Sask., and McCord, Sask., on May 31.

The branch at Moose Factory, Ont., will be known as Moosonee, Ont., branch.

Bank of Nova Scotia announces the following staff changes:

F. K. HIND, formerly manager at Maniwaki, Que., has been appointed manager at Lachute, Que., to succeed W. H. LAMB, who has been granted indefinite leave of absence on account of illness.

A. MENARD, formerly manager at St. Isidore de Prescott, Ont., has been appointed manager at Maniwaki, Que.

Ponzi Produced

Editor, The Financial Post:

I do not know whether your remarks were serious in suggesting that readers should figure out that piece of high finance headed "Page Ponzi!" on page 12 of The Financial Post of April 30, 1932, but it does not do one any harm to enter such mental exercises and often does one a lot of good to put their thoughts on paper. So here goes.

To me, the main principle involved is one of bad business inasmuch as the first nineteen dealers have purchased goods for their own personal use and used money from their business tills to pay for it. The twentieth dealer would have been in the same box had he needed something for himself and carried on the chain.

From the nature of the problem each of the first nineteen dealers when he purchased something that he needed for himself became a consumer and should not have used money or anything equivalent to money which rightly belonged to the cash register of his store. When he did this he left his store accounts out by either seventy-five cents or a dollar according to what he valued his goods at in his inventory.

The problem does not state whether the five cents which each of the twenty dealers contributed was taken from their cash registers or from their private purses. It makes a difference because their business accounts are either a further five cents out or they actually purchased the goods they needed for five cents from their own pockets.

The net result, therefore, is that the original purchaser gets the dollar tie for nothing. The last dealer is either twenty cents in or five cents out in his business accounts according to whether he is reckoning the goods at their wholesale or retail value.

The other nineteen dealers are out a dollar's worth of goods which they will have to account for in some way or other in their inventory and they are either a further five cents out in their store accounts or five cents out of pocket. In the latter case they would actually have purchased a dollar's worth of goods for five cents. In the former case they would have been plundering their own till for a further five cents, over and above the bad transaction they just completed.

This was only a small transaction for each dealer but it was basically unsound because it mixed business accounts with personal accounts in a way that can only result in disaster and loss in the long run.

"Page Ponzi!" is right. He went bankrupt, didn't he?

R. G. ENTWISTLE.

Toronto, April 30, 1932.

The
Greatest Legacy
of the Canadian people
to the next generation
...is life insurance

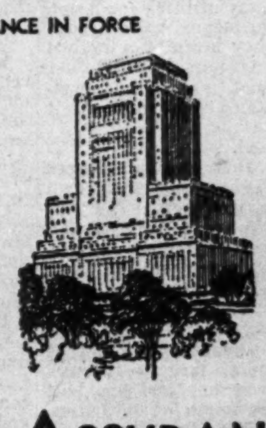
When the Sun Life began business in 1871 life insurance in Canada was $13 per capita.

TODAY it is $635 per capita. With one exception, Canadians are now the highest insured people in the world.

The Sun Life has played a leading part in fostering this thrift in the Canadian people and in protecting Canadian homes.

The rapid growth of the Sun Life is shown in the following table:

ASSURANCE IN FORCE
1871 $404,000
1881 $5,010,000
1891 $19,436,000
1901 $62,400,000
1911 $164,572,000
1921 $536,718,000
1931 $3,051,077,000



SUN LIFE ASSURANCE COMPANY OF CANADA
Head Office: MONTREAL

AUTOMOBILE OWNERS
Insure Your Car with a Canadian Company
—standard policies
—low rates
—quick settlements
Non-assessable policies. Ample security. Surplus to policyholders $1,446,771. All reinsurances effected through Lloyd's, London, England.
PORTAGE MUTUAL INSURANCE CO. MUTUAL SERVICE WITH SECURITY
Est. 1884
THE
PORTAGE LA PRAIRIE
Insurance MUTUAL Company
Portage la Prairie Toronto Montreal Edmonton Vancouver 112

CROWN
LIFE
INSURANCE COMPANY
Established 1900
SIR ROBERT L. BORDEN
President
C. W. SOMERS
Vice-President
H. R. STEPHENSON
General Manager
HOME OFFICE:
Toronto, Canada

Consistent Growth
Steady progress in all Departments during the last six years is ample testimony of a healthy condition and a sound aggressive administration.
Insurance in Force
Dec. 1925 $81,677,030 Dec. 1931 $150,319,791
Assets
Dec. 1925 $12,375,516 Dec. 1931 $25,470,427
Rate earned on invested assets 6.24%
THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE - - WATERLOO, ONTARIO
S.3

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents reauired in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

SOLID AS THE CONTINENT
At a time when people think primarily of security and when there is such vital need for protection against the future, Life Assurance is the best and in most cases the only means of securing it.
ASSETS $46,855,113
ESTABLISHED 1881 SOLID AS THE CONTINENT A MUTUAL COMPANY ALL PROFITS PAID TO POLICYHOLDERS
The North American Life, a purely mutual company, returns all profits to policyholders and has $118 for every $100 liabilities. It is one of the strongest financial institutions on the Continent.
SURPLUS $7,007,959
NORTH AMERICAN LIFE

Property Management

makes for assured constant minimum vacancies, and minimum operation costs. Information regarding our Property Management Department submitted on request.

McWILLIAMS & BROUGHALL

Members Toronto Real Estate Board
Members National Real Estate Board
25 King Street West
TORONTO
Elgin 4182-3-4

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Tillsonburg Shoe Co. has acquired the lasts, dies and patterns formerly used by Talbot Shoe Co., St. Thomas, and has commenced manufacture of the new line at Tillsonburg.

Dominion Linens Co. plant at Tillsonburg has been purchased by H. M. Fair who will remodel and operate the property as a tobacco processing plant to give employment to a minimum of 20 hands with a possible employment of 75 to 100 hands from November to April. $150,000 will be expended annually in materials and labor it is anticipated. The plant is now being renovated and several thousand dollars worth of equipment installed. A special tax exemption for ten years was granted.

Aridor Co. of Canada, manufacturers of milk bottle caps has been reorganized and has moved its operations from Toronto to Hamilton. 10,000 feet of floor space have been leased in the P. B. Yates Machine Co. plant, Cavell St. Aridor has recently acquired the bottle cap business of Appleford Paper Products, Ltd. A. M. McConnell is president and managing director of the company and W. B. Powell of the Appleford Co. is vice-president. Employment is expected for 20 men.

Harvey E. Dodds Co. has established a new plant at Point aux Trembles, P.Q., to manufacture skis and ski poles.

McQuay-Norris Manufacturing Co. has begun erection of the first unit of its new plant at Mount Dennis for the manufacture of piston rings. The company has been established in Canada since 1912.

Canadian Carborundum Co. has let contracts for two additions to their plant at Niagara Falls, Ont. Ultimate expenditure will be approximately $250,000. One building will house a plant for mixing bonding materials and abrasive grains. A smaller building will house a complete fabricating plant for manufacturing grinding wheels of all kinds. Total investment of the company will be $2,750,000 with the erection of these three plants.

Ammco Canada, Ltd. is a new Canadian subsidiary of Automotive Machinery Co. of Chicago, manufacturers of garage equipment and precision tools. The new concern will manufacture at 2 Breadalbane St., Toronto, in conjunction with J. C. Adams Co., manufacturers agents who have been the company's Canadian sales representatives for some time. J. C. Adams is general manager of the company.

Asphalt Fibre Co., of Toronto, is erecting a one-story building in York Township for the manufacture of liquid asphalt, roofing compounds, etc. The company is a subsidiary of Liquid Fibre Co.

Universal Woodworking Co. is erecting an extension to its present plant in York township. The company manufactures cold storage equipment for retail stores, etc.

Domestic Winery & By-Products, Ltd. has commenced operations at Kelowna, B.C. in its new plant which uses cull apples and wines made from Concord grapes as chief ingredients.

Machinery for the new plant was imported from Italy, the Italian Monti process being used.

Walkerside Dairy, Ltd., of Walkerville has opened a new plant to specialize in the manufacture of ice-cream by a "fast-freezing" process.

DOMINION MOTORS MAKES RESERVE FOR DIVIDENDS

Loss Higher in 1931; Cash is Held as Security For Contingent Liability

Dominion Motors Ltd. ended 1931 with a net operating loss of $242,751, as compared with loss of $150,344 in 1930 and profit of $401,379 in 1929. After payment of dividends it sustained a loss of $356,729 for the year. After providing a reserve of $227,966 for two years' dividends, and $100,540 for adjustment re appraisal of fixed assets at December 31, 1930, the company ended the year with surplus of $406,954 against $891,110 the previous year through transfer of $306,415 from consolidated surplus account.

Ratio of current assets to current liabilities shows improvement despite reduction in cash and call loans to $1,004,280 from $1,577,297 and accounts and notes reecivable to $833,179 from $1,093,846. Of the cash $819,635 is held in security for contingent liability. Inventories are lower at $709,073; marketable securities slightly higher at $90,425. Bank advances to York Acceptance Corp., subsidiary company, have been reduced to $492,700 from $863,400 while other items including accounts payable and accounts and notes receivable credit balances at $25,561 are lower. Dealers' deposits are down to $14,275 from $21,510. Working capital position is as follows:

Working Capital Position at Dec. 31

	1931	1930
	$	$
Current assets	2,651,050	3,694,384
Current liabs.	598,184	1,209,484
Working capital	2,052,866	2,484,900
Ratio	4.43—1	3.05—1

Fixed assets are carried at $1,531,703 after depreciation reserves, appraisal being as of Dec. 31, 1930. Land, buildings, plant and equipment of parent company are valued at $2,388,019, subject to depreciation of $891,748. Fixed assets of subsidiaries, at depreciated value, are carried at $35,432. Deferred charges amount to $87,569. Accrued liabilities, not due, are shown at $65,394; reserves for contingencies and taxes at $121,983 and for dividends at $227,966. There is outstanding 284,989 shares of $10 par value common stock and surplus is $406,954. The company has a contingent liability of $1,250,000 on account of guarantee of loan to Leaside Investments Ltd., and as additional security is to make no withdrawal from a savings account amounting to $819,635 without approval of the Imperial Bank.

Surplus account of the company is as follows:

SURPLUS ACCOUNT
Years Ended Dec. 31

	1931-32	1930-31
	$	$
Net loss	242,751	150,344
Add divds. paid	113,978	113,969
Loss for year	356,729	264,313
Previous surplus	891,110	1,155,423
Less: Res. for divds. ..	227,966	....
Adjust. re appraisal of fixed assets Dec. 31, 1930	100,540	....
Add: Transfer from consol. surplus acct.	306,415	....
Surplus forward	406,954	891,110

Dominion Stores Sales Are 7 p.c. Under 1931

Sales of Dominion Stores Ltd., in the five weeks ended April 30 amounted to $2,237,635, decrease of $307,362 or 12 per cent from the corresponding period of 1931 when sales were $2,545,017. While this drop is the highest to be recorded in any period of the current fiscal year, sales for the period had the highest weekly average.

Sales in the current year, to April 30, total $8,168,789 as compared with $8,789,416 in the same period of 1931. This represents a drop of $620,627 or 7.1 per cent. The company, it is understood, will close some of its smaller stores and consolidate others.

Special Investigations in corporation finance and on business subjects

SPECIAL investigations in the field of corporation finance are undertaken by The Financial Post Corporation Service.

In addition, the editorial and statistical departments of The Financial Post are in a position to compile data and make special reports on a wide variety of business and financial subjects.

Recently a large Canadian corporation wanted a list of every company producing a certain commodity in Canada, together with its bonded indebtedness, capitalization, etc. They turned to The Post for the service. Within two days a comprehensive study providing all the information required was on its way. The fee for the service was moderate.

For twenty-five years The Financial Post has been maintaining records on thousands of Canadian companies and on every type of industry, trade and business activity. The records of The Financial Post are the most complete business and corporation records in Canada, with the possible exception of some government records never made available to the public.

These records, together with the specialized staff of The Post, make it possible for us to offer superior service in making special investigations and in the compilation of specific reports.

When you are in need of important business data, special reports, corporation histories, etc., write us. We will let you know if we can provide you with what you want and what it will cost you.

"The information you supplied was just what we wanted."

"Thanks for your prompt attention to our inquiry."

Extract from letter recently received.

Special Investigation Department

THE FINANCIAL POST CORPORATION SERVICE

143 University Ave., Toronto

G.T.R. Stockholders Seek New Funds

Grand Trunk Perpetual Stocks Committee is attempting, in London, Eng., to raise further funds to prosecute its claim against the Canadian National Railway for compensation for the first and second preference stocks to which the board of arbitration attached no value when the G. T. R. was taken over by the Dominion government. An assessment is being levied against the stockholders.

The committee proposes to attempt to get a judgment in a British court declaring that the Canadian government had no authority to confiscate the United States properties of the G. T. R. and, armed with this judgment if it can be obtained, to secure possession of the Canadian National lines across the border through the processes of the United States courts.

STANDARD PAVING USED ITS SURPLUS TO PAY DIVIDEND

Earnings Reduced But New Properties Were Acquired in Year

Operating profit of Standard Paving & Materials Ltd. was down to $274,350 in the year ended March 31, 1932, from $580,472 in the previous year while miscellaneous income was well maintained at $50,705. After provision for various reserves including depreciation at $150,000 and payment of preferred dividends of subsidiary company, there remained earnings of $5.49 per share on the preferred stock as compared with $21.96 the previous year and in paying full preferred dividends and 50 cents per share on the common the company drew on surplus to the extent of $74,052.

While current assets were well maintained in total, cash and call loans carried to the amount of $305,599 at March 31, 1931, were utilized and bank loans and overdraft are shown at $99,235. Investments in bonds, at market value March 31, are shown at $477,555 as against $417,639 the previous year. During 1931 the company added to plant and equipment to the extent of some $213,000. Accounts receivable, deposits on tenders, etc., are up to $309,937 from $121,591. Working capital position at March 31, was as follows:

	1932	1931
	$	$
Current assets	881,320	981,175
Current liabs.	224,130	132,830
Working capital	657,190	848,345
Ratio	3.93—1	7.39—1

Fixed assets are valued at $3,676,881, subject to depreciation and depletion reserve of $1,438,099. Additions during the year included asphalt and concrete paving plants in the Maritimes and similar plants as well as a cold-mix plant in Ontario. A mortgage receivable of $20,000 appears for the first time and represents an investment in a sand and gravel boat which the company will manage under contract for a term of years. Investment in associated companies is down to $57,036 from $70,300 due to deduction of subscriptions unpaid of $21,000. Deferred charges total $76,021; patents are carried at $46,000 and goodwill at $633,025.

Mortgages payable have been reduced to $16,000 from $28,325. Reserves are unchanged but for $6,276 set up for contingencies. Minority interest in common stock of one subsidiary is valued at $8,440 while there is $1,074,200 of preferred stock of Consolidated Sand & Gravel Co. held by the public; $1,427,500 of Standard Paving preferred and 104,872 shares of common. Earned surplus is down to $1,024,076 from $1,125,628.

Income and surplus account of the company is as follows:

CONS. INCOME AND SURPLUS ACCT.
Years Ended March 31

	1931	1930
	$	$
Net operating profit .	274,350	580,472
Add: Misc. income ..	50,705	51,402
Net earnings	325,705	631,874
Less: Income tax	13,500	31,443
Deprec. & depletion	150,000	200,000
Doubtful accts. rec.	3,500	2,500
Invest. w/o	....	7,652
Amort. of patents..	4,000	....
Net profit	154,055	390,279
Less appropriations:		
Subsid. pfd. divds.	75,754	76,742
Co's pfd. divds. ...	99,925	100,774
Co's common divds.	52,428	209,714
Surplus for year	*74,052	3,049
Add: Prev. surplus ..	1,125,628	1,143,824
Contingency res. ..	....	19,850
Capital surplus	....	29,145
Less: Tax adjustments	27,500	....
Organ. exp. w/o ..	....	70,240
Surplus forward	1,024,076	1,125,628

*Loss.

MUST PAY DEBTS WITH TRADE GOODS REPORT POINTS OUT

F. B. I. Urges Britain to Form Complimentary Group For Trading

Declaring that the opportunity of the Ottawa Conference should be seized to explore the possibilities and bring about the maximum of mutual understanding (not, however, based on rigid agreements or ambitious machinery), for the adoption of a common Empire monetary and industrial policy, so designed as to facilitate the admission of other countries willing and able to co-operate with a sterling group, the Federation of British Industries has just concluded a report on the Industrial and Monetary Policy of Great Britain.

The report points out that the pre-war policy of Great Britain conducted no doubt unwittingly, along the lines to promote and foster "complementary" trading nations, that is nations whose main products are not competitive with that of the loaning country, has been lost sight of, and British savings have been lent to reconstruct the industrial systems of European rivals. It is urged that British savings in the future be directed to develop home industries and those within the Empire and only to those countries which are prepared to co-operate in a British system by offering for exchange, goods and services of a non-competitive nature.

Goods Needed to Pay Debts

It is stated that, as everyone agrees, all debts can in the main only be paid in goods and also that, between competitive nations, this is impossible in practice, because the only goods with which the debtor is in a position to discharge his indebtedness cannot be accepted by the creditor without sacrificing his home industries. On the other hand, loans to complementary trading nations can be made self-liquidating if the loan can be used to stimulate the production of goods which the lender will need in the future.

In a summary of its findings, the Federation sets forth the following diagnosis of the world crisis and makes the following recommendations:

Diagnosis of the World Crisis

(1) In the pre-war period British monetary policy was directed, albeit largely unconsciously, along the lines of a consistent plan calculated to promote and foster British industry and commerce by active development of complementary trading countries.

(2) The uncontrolled association, through the gold standard, of other countries with independent national plans, such as France and Germany, with the British plan was an unstable and highly artificial economic phenomenon. The war shattered that association, probably beyond recall.

(3) The world gold standard as it operated in the pre-war period was in fact predominantly a sterling standard.

(4) The breakdown of the gold standard in Great Britain in September, 1931, marks the final failure of the attempt, probably foredoomed from the first, to recreate after the war the pre-war international monetary system.

(5) In her efforts to achieve this purpose Great Britain lost sight of the true meaning of her pre-war plan and overstrained her resources in giving financial help to European reconstruction, which involved making loans which she could not afford to make (nor, indeed, could the recipients afford to accept) to competitive trading countries.

(6) In so doing, finance divorced itself from industry and commerce and became at times even antagonistic to them. The extent to which in this period finance became the master instead of the servant of industry (which is the ultimate source of all new capital) is the measure of the misdirection of energy involved.

(7) Free from the shackles of a mismanaged gold standard, British monetary policy must now conciously adopt a new plan, duly subordinated to and co-ordinated with commercial and industrial policy, involving a reversion in large measure to the unconscious pre-war British plan.

Recommendations

(8) The primary aims of the new British plan should be:

(a) To raise the level of sterling prices to a figure at which production can be carried on with reasonable profit.

(b) The promotion thereafter of stability in the price structure and balanced production within the sterling area.

(c) The conscious direction of the flow of savings into new investments calculated to secure the maximum of advantage for industry.

(d) The direction of that part of the national savings available for external investment to countries within the sterling area, which are countries of complementary trade.

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Farm Crisis Presents Pattern of Depression

World Agriculture Went Through Struggles, Similar to Present, Twice During Nineteenth Century

By "TRIPTOLEMUS"

Recently a talk on the agricultural crisis and its relation to the present world depression was delivered before a group in Toronto. It was suggested that many business men and others, who are concerned with the immediate future of agriculture, would be interested in the material that was gathered together. It will be made the basis of a few articles that will be published in the next few weeks.

The temptation is strong to entitle the series "The Farmer; Forgotten Underdog of Depression." But the title would not be strictly correct. The farmer has not been forgotten by the politicians and the radical reformers of the social and economic world. What the farmer needs today is a better understanding of his fundamental problems by business men.

The impact of depression upon farmers in every country of the world has been severe. Farmers were the first to suffer in the post-war collapse of world prosperity. Farmers are still suffering from a continuing disequilibrium between the prices of what they must buy and the prices at which they must sell their products.

At the same time they are faced with the serious prospect of having to work off, over the term of a generation or so, an extravagant burden of debt that is largely the result of war-time optimism and the politically-sponsored campaign the world over to make credit cheap for the farmer. It is, of course, desirable that such credit as agriculturalists require should be available on as easy terms as possible. But they have not been good friends of the farmer who have thrust credit upon him, made him use it and made him like the taste of it.

Farm prices and farm debts are today the indicators of the farm depression.

Farm Crisis is Pattern of World Crisis

At the heart of the world crisis is the agricultural crisis. If one wished a simple story of the development of the world depression one could get it, reduced in complexity, in a study of the agricultural phases of the depression. And to reduce the whole bewildering series of economic movements, that have made up the economic crisis, to the simplest possible formula one need only tell the story of wheat. For the story of wheat is, in essence, the whole story of the world crisis. In wheat one will find no essential factor missing; they are all there: war expansion, the shift of the world centre of production, over-production, artificial price maintenance, mechanization, tariffs, excessive nationalism, etc.

If we are then to study the world economic crisis by the simple expedient of looking in on the scene through the window of agriculture we must go back more than a generation to find out what went before. For the troubles of the Ontario milk producer and the Manitoba wheat grower bear no small relation to events that happened before either of them was born. The dead hand of the past is really very much alive and it plays in a big part in shaping the destinies of the present generation.

Cycle of Farm Prosperity

In the time covered by the history of federated Canada agriculture in the world has gone through, roughly speaking, a long generation of depression, a short generation of prosperity rising to a tremendous peak, and a decade of collapse.

But while we may begin our main story of the agricultural crisis with the period that followed Confederation, a brief prologue may well be made of a summary story* of what happened to world agriculture following the Napoleonic wars. Add one hundred years to each of the dates and we have almost an exact parallel with today.

> "There are two crises in modern history which may be compared with that of the present time. The first was after the Napoleonic wars, just as the present crisis follows on the conflict of 1914-1918. During the Napoleonic wars, agricultural production increased, particularly in the countries threatened by the continental blockade. After the conclusion of peace, it was in excess of the requirements of consumption. The prices of cereals fell between 1820 and 1825 by half or two-thirds, and the prices of live-stock by nearly one-half, while the prices of industrial products fell a good deal less heavily, and taxation, as a result of the wars, was very much heavier.
>
> "The increase in the consumption of potatoes reduced the markets for other agricultural products. Abundant harvests which followed between 1817 and 1824 in a number of countries led to a fall in agricultural prices. The crisis became less intense after 1825 and by 1835 was over."

"By 1835 the crisis was over." Would that we could simply add 100 to that figure and make a forecast for 1935. Perhaps the crisis phase of agricultural depression may be over by 1935. But the rebuilding of world agriculture will go on for a generation at least.

If it gives any satisfaction it may be pointed out that the Upper Canada farmer who got three shillings a bushel for his wheat in the post-Napoleonic collapse was getting 10s 6d in 1855†.

Eighteenth Century's Second Farm Crisis

With the post-Napoleonic war period as our prologue let us skip the boom period of the 50's and 60's and get on to the agricultural depression of the 1870's and 1880's. Between 1870 and 1894 there were steadily falling prices of practically all commodities the world over. That meant another cycle of depression and deflation. Agriculture merely shared in a general condition but agriculture got more than an equal share. It usually does. The farmer is the chief immediate beneficiary of a war boom. He is always the worst sufferer afterwards.

Most economists explain the 1873-1896 fall of prices by referring to the progressive demonetization of silver‡ in the world's leading countries of international trade and finance. Most of the leading countries adopted gold and there wasn't enough gold to go around. How familiar that sounds today! Demonetization of silver threw, the economists argued then as they argue now, a burden upon gold that it could not carry and brought about a long continued fall of prices. "You shall not crucify mankind upon a cross of gold," thundered Bryan (thundering, as usual, very late since his speech came twenty years after the trouble started and immediately preceded a reign of prosperity when no one thought of gold as an economic executioner).

More Important Factors in Farm Crisis

But whatever the villainous role of gold in the decline of prices between 1870 and 1894, the decline in farm prices and the resulting farm crisis were not without other more direct and important causes.

After the Civil War in the United States, agricultural production grew with amazing rapidity.§ New land was being broken every year. This bountiful supply of new food products was not consumed solely in the United States. It began to flood the somewhat startled markets of the older agricultural nations of Europe. New railways and cheap ocean freights enabled the farmers of the Middle West to beat the farmers of Europe at their age-old business of feeding the continent. For instance: the cost of carrying wheat from Chicago to Europe dropped by 60 per cent in the period 1870 to 1900. No wonder then that wheat production in the States increased by over 50 per cent and exports by 40 per cent.

At the same time, someone discovered cold storage and Europe began to buy even the more perishable food products like meat, butter and preserved milk, from the new continent.

The United States was not alone in increasing its farm production and reaching out for export markets. Russia, Canada, Australia and the Argentine got into the picture in a big way.

Crisis Hits European Farmers

It is not surprising that these deep-lying shifts in production brought about a vast over-production of practically all farm products and a steady decline in prices. European farmers could hardly change their outlook in a single generation. And just when they needed a reduction in costs farm labor began to revolt, and wages began to rise.

It was a bad time for world agriculture. But one notable feature of the present situation was then missing. There was no farm credit crisis because the politicians of the last century had not evolved the neat trick of winning the farm vote by loading the farmer with debts.

There was depression the world over all through the 70's and 80's with panic in 1884, in 1890 and 1893. No doubt the more sensational newspapers had their front page article on the troubles of the banks and brokers. And no doubt too the farmer, bearing the brunt of the disequilibrium in prices more than any other class in the community, was as largely neglected by everybody (except the muddling politicians and what were the nineteenth century equivalents of the false farm prophets of the present) as he is today.

The middle of the 90's brought the beginning of prosperity. If in the next article we examine the reasons for the reversal of the tide we may be able at the same time to ask ourselves if similar influences may do the trick again.

*League of Nations: "The Agricultural Crisis."
†Board of Inquiry Into Cost of Living, Canada, 1915
‡J. Kitchin: "The International Gold Problem."
§G. de Michelis: "Europe—U. S. A." Published by International Chamber of Commerce.
*Persons: "Forecasting Business Cycles."

Canadian Industries Opens Cellophane Unit

From Our Own Correspondent

MONTREAL.—The new cellophane plant, erected by Canadian Industries at Shawinigan Falls at an estimated cost of $1,000,000, has started production. This unit is the fourth new plant erected by Canadian Industries in Canada in the last two years.

Construction of the Shawinigan Falls plant began in October, 1931, and over 450 men have been employed in the work. First shipments of the finished product have been made; it is stated that modern improvements introduced to manufacturing facilities have resulted in a high quality product.

The new cellophane unit will supply entirely an increasing demand for cellophane in Canada. Hitherto, all of this commodity has been imported; now it will be manufactured from Canadian materials. The most important chemicals required in its production are made by other divisions of Canadian Industries; and sulphite pulp, the basic raw material, is also a Canadian product.

Plan Souris Development Survey

The Saskatchewan Government has decided to conduct a survey of the proposed Souris River development at Estevan, which development involves the construction of a large earth dam near that city which would create a lake about 30 miles in diameter, to provide bountiful supplies of water for industrial purposes and create a beauty spot for South-western Saskatchewan.

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Niagara Parks Commis'n Has Railway to Sell

The Niagara Parks Commission of Ontario announces that the agreement with the International Railway Company for its operation of the electric railway extending eleven miles along the Canadian side of the Niagara River from the village of Chippewa to the village of Queenston terminates on August 31, 1932. The Commission states its willingness to enter into negotiations for the operation of the railway thereafter on reasonable terms, either by purchase or lease.

The communication is signed by John F. Jackson, general manager of the Niagara Parks Commission, and communications are invited from those interested.

Shoe Company Extends Plant

The W. J. Borryhill Shoe Company, of Winnipeg, announces an extension of its business involving larger quarters, additional lines and extra employees. This business, established ten years ago, has grown rapidly.

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Without prejudice and without any claim to prophetic vision, The Financial Post recently published a series of articles on good Canadian stocks that seem to meet the most obvious tests that need to be applied to good securities. These articles are reprinted in booklet form. The first chapter in the booklet outlines the record of some former leaders and tells why some disappeared and why some remained. It also discusses some essential tests. Further chapters discuss individual stocks. This booklet (48 pages and cover) is available at 25c

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WESTERN GROCERS LIMITED
NINETEENTH ANNUAL FINANCIAL STATEMENT AND DIRECTORS' REPORT

At the Annual General Meeting of the Shareholders of Western Grocers Limited, held at the head office of the Company, the Directors' Annual Report and Statement for the year ending December 31st, 1931, was presented and approved.

The directors, W. P. Riley, W. H. McWilliams, H. W. Hutchinson and Frank O. Fowler were re-elected, and at a meeting of the Board, following the Shareholders' Meeting, the officers of the Company were re-elected.

The Directors' Report follows:

REPORT TO SHAREHOLDERS

Your Directors present herein, the Nineteenth Annual Report, covering the fiscal year ended December 31st, 1931, together with a statement of the financial condition of the Company at the close of the year.

OPERATING ACCOUNT

After deducting all operating expenses, interest paid on bank loans and making provision for bad and doubtful accounts, the income for the year was $121,671.11. This sum, added to the surplus carried forward from 1930, made a total of $499,978.42, which was dealt with as follows:

Written off for depreciation on buildings	$ 21,640.02
Written off for depreciation on delivery and warehouse equipment and office furniture and fixtures	14,472.81
Reserve for Income Tax, 1931	7,355.14
Dividends Paid on Preference Stock	83,601.00
Balance at credit of Surplus Account, December 31, 1931	372,909.45
	$499,978.42

The net income of $121,671.11 shows a slight reduction from 1930, directly attributable to a continuous decline in grocery commodity prices, during the entire year under review. The sales volume, while less in dollars, exceeded the turnover of the previous year on a tonnage basis, despite the unusual conditions which prevailed.

Inventories of merchandise were priced in the usual conservative manner, cost or market, whichever was lower, and the merchandise in the Company's warehouses is well assorted and in accordance with the needs of the various territories served. In the opinion of your Directors, liberal provision has been made for possible losses on accounts receivable.

Your Directors regard as an outstanding achievement, the elimination of all indebtedness to the Company's bankers. This was an objective set entirely by the Company's management, and successfully accomplished.

The investment in merchandise and in accounts receivable, has also been very substantially reduced, which naturally reflects itself in greatly improving the liquid position of your Company.

The lessened investment in inventories and in book accounts should in turn materially contribute to operating economies in 1932, and your directors feel satisfied that your Company is in an outstanding position to profit by any betterment in business conditions.

RED & WHITE STORES

The Red & White Stores continue to show substantial growth. These stores are independently owned by customers of the Company, but co-operate with your management as a group under the Red & White plan of merchandising.

COMPARATIVE BALANCE SHEET

ASSETS	As at December 31 1931	1930	Increase or Decrease*
Current and Working Assets			
Cash on Hand and in Banks	$ 114,915.11	$ 128,475.20	$ 13,560.09*
Merchandise, at cost, or market if lower	877,732.37	1,529,517.83	651,785.46*
Accounts, Receivable, Customers'	982,526.63	1,119,365.87	136,839.24*
Advances on Merchandise and Sundry Debtors	41,205.84	42,621.21	1,415.37*
Prepaid Insurance, Interest, etc.	16,998.99	27,225.75	10,226.76*
Total Current and Working Assets	$2,033,378.94	$2,847,205.86	$813,826.92*
Investments			
Real Estate, not in use for Warehouses, and other Investments	39,825.00	41,731.34	1,906.34*
Warehouse Properties			
Real Estate and Buildings, less depreciation	884,258.93	903,592.61	19,333.68*
Plant and Equipment			
Including Automobiles, Motor Trucks, Office and Warehouse Equipment, less depreciation	87,665.83	65,652.91	22,012.02
Total Assets	$3,045,128.70	$3,858,182.72	$813,054.02*
LIABILITIES			
Current Liabilities			
Bank Loans, Secured	$ Nil	$ 811,100.00	$811,100.00*
Acceptances and Accounts Payable, also Reserve for Income Tax	433,552.26	430,178.42	3,373.84
Dividends on Preferred Shares for 3 months ended December 31st, 1931	20,900.25	20,900.25	....
Dividends previously declared and still unclaimed	604.00	534.00	70.00
Total Current Liabilities	$ 455,056.51	$1,262,712.67	$807,656.16*
CAPITAL STOCK			
Authorized: 7% Cumulative Preference shares of $100.00 each—$2,500,000.00. Common Shares of No Par Value 30,000 Shares.			
Issued and Outstanding			
7% Cumulative Preference Shares of $100.00 each — 11,943 shares	$1,194,300.00	$1,194,300.00	....
Common Shares of No Par Value—16,943 shares	1,022,862.74	1,022,862.74	....
Earned Surplus	372,909.45	378,307.31	5,397.86*
Total Liabilities	$3,045,128.70	$3,858,182.72	$813,054.02*

Approved on behalf of the Board.
W. H. McWILLIAMS
F. O. FOWLER

Contingent Liabilities Reported: under a Guaranty, $27,232.01.

Decrease*

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Fort Frances, Fort William, Kenora and Port Arthur in Ontario.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING MAY 9

Range 1932 High	Range 1932 Low	Divd. Rate	Yield in % May 7		Sales	Close May 2 (or last)	Week Ending May 9— High	Low	Close
[illegible]									

x Quotations for 1931. No sales recorded in 1932 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1930.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
† Plus stock bonus.
§ 2% stock dividend payable June 1; 25c. cash paid Mar. 1, 1932.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

May 6, 1932

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber pfd.	..	80
Can. Amer. Tr. sh.	..	3
Can. Fire Insur.	68	..
City Dairy (Wpg.) pref. 7%	50	60
Do., pref. 8%	..	80
Corporate Steel c.	..	5
Cres.-Cream. pfd.	..	70
Monarch Life	..	25
Nor. Can. Mtge. pfd.	..	15
North. Trust	..	24
Un. Gr. Growers	10	11
Reliance Gr. pf.	..	60
West Breweries	1¾	3
Fund. Tr. shs. "A"	..	2¾
Do., "B"	..	3½
Grouped Inc. Shs.	..	3.03

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
May 10 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.35	.50
Acadia Sugar pfd.	2.40	....
Acme Farmers Dairy pfd.	54.00	64.00
Agnew Surpass pfd.	60.00	70.00
Allens Lond. pfd.	30.00	....
Andian Nat. Corp.	16.00	19.00
B.C. Pulp & Paper com.	....	3.00
B.C. Pulp & Paper 7% pfd.	10.00	15.00
Can. & Dom. Sugar com.	15.75	17.50
Can. Mach. c.	2.50	4.50
Can. Machinery 7% pfd.	24.50	30.25
Can. Packers c.	7.00	9.00
Can. Packers 7% pfd.	60.00	66.00
Can. Starch pfd.	65.00	71.00
Can. Tea pfd.	56.00	....
Can. Wire & Cable pfd. W.W.	75.00	78.00
Can. Celanese pfd.	....	52.50
Can. Indust. c. 'A'	50.00	60.00
Do., "B"	50.00	60.00
Do., 7% pfd.	95.00	99.00
Can. Westin'house	43.50	45.50
Chase, A. W. Units	34.25	39.00
Claude Neon Units	30.00	36.00
Dodge Mfg. "B" com.	1.00	....
Dodge Mfg. "A" pfd.	7.00	....
Dom. Foundries & Steel c.	7.75	9.00
Dom. Foundries & Steel pfd.	64.50	....
Dom. Mfrs. pfd.	65.00	70.00
Dom. Tar pfd.	....	46.75
Dunlop Tire 7% pfd.	40.00	44.00
Eastern Car 6% pfd.	40.00	....
Eastern Dairy pf.	63.00	80.00
Fed. Grain pfd.	22.50	28.00
Goderich Elevator & Transit	12.50	14.00
Greening Wire 7% pfd.	75.00	80.00
Guard. Rlty. pfd.	....	32.50
Guelph Carpet pf.	70.00	75.00
Harding Carp. pf.	....	50.00
Inter City Bak. c.	38.00	45.00
Internat. Proprietaries "A"	19.25	22.00
Langleys pref.	....	50.00
Loew's London c.	....	1.75
Loew's London pf.	3.75	5.00
Massey Harris pf.	8.00	10.25
Morrow Screw Nut 7% pfd.	92.50	97.50
Mt. Royal Hotel com.	1.00	2.00
Mt. Royal Hotel 6% pfd.	8.50	11.00
Nat. Grocers c.	.50	1.50
Nat. Grocers 2nd 7% pfd.	30.00	34.50
Para. Oshawa c.	9.00	....
Prov. Paper pfd.	40.00	50.00
Rolland Paper pfd. W.W.	30.00	38.00
Standard Fuel pfd. bonus	55.00	60.00
Standard Clay Products c.	20.50	25.00
Supertest Petroleum "B" pfd.	16.00	....
Toronto Brick pf.	40.50	58.50
Toronto Carpet c.	....	105.00
Toronto Carpet 8% pfd.	....	90.00
Toronto Elevators 5% pfd.	65.00	71.00
Toronto Hous. c.	21.00	30.00
Un. Amuse. "A"	17.00	....
Western Grain pf.	10.00	14.00
Willards Chocolates pfd.	26.00	34.00
Insurance Stocks:		
Brit. Amer. Assce.	28.25	....
Canada Life Ass.	425.00	450.00
Canada Nat. Fire	13.50	16.75

Insurance Stocks:	Bid	Asked
Can. Fire Ins.	68.00	77.00
Capital Life 20% pd.	11.00	19.00
Confederation Life 20% pd.	153.00	168.00
Continental Life 20% pd.	55.00	61.00
Crown Life Ins.	98.00	....
Dominion Fire	85.00	95.00
Dom. Life 50% pd.	285.00	310.00
Dom. of Can. Gen. Ins.	155.00	170.00
Excelsior Life 30% pd.	73.00	80.00
Fidelity Ins. of Canada	....	69.00
Great West Life	230.00	250.00
Guarantee Co. of N. A.	245.00	....
Halifax Fire	9.00	12.00
Imperial Life	300.00	325.00
Mfrs. Life	235.00	260.00
Monarch Life 10% pd.	20.00	25.00
Nat. Life 25% pd.	95.00	110.00
Saskatchewan Life 10% pd.	....	18.00
Sovereign Life 25% pd.	16.00	21.50
Sun Life Assur.	300.00	350.00
Western Assur. c.	18.00	20.50
Western Life 20% pd.	9.00	14.00
Trust & Loan Stocks:		
Br. Mtge. & Tr.	176.00	....
Can. Gen. Investments Ltd.	2.75	3.75
Chartered Trust	80.00	85.00
Deb. & Sec. c.	....	28.00
Deb. & Sec. pfd.	....	48.00
Eastern Can. Sav. & Loan	105.00	130.00
Eastern Trust	140.00	....
Guelph & Ont. Inv. par $50	51.00	61.00
Investment Foundation Units	18.00	22.00
Lambton Loan & Savings	65.00	75.00
London & Western Trust	95.00	101.00
Midland Loan & Savings	15.00	....
Mtge. Disc. pfd.	3.00	3.75
Mutual Fin. pfd.	....	4.00
Mutual Fin. c.	....	4.00
Premier Trust	77.00	85.00
Sherbrooke Tr.	100.00	125.00
Security Loan & Savings	101.00	115.00
Sterling Trust	....	89.00
Traders Fin. c.	....	3.50
Traders Fin. pfd.	27.00	32.00
Trusts & Guar.	54.00	59.00
Victoria Trust & Savings	175.00	....
Waterloo Trust & Savings	100.00	117.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	85.00	91.00
Calgary Pwr. pfd.	58.00	61.00
Can. Light & Pwr. com.	10.50	20.00
Can. West. Nat. Gas LH&P c.	18.00	23.00
Can. West. Nat. Gas LH&P pfd.	58.00	63.00
Great Lakes Power pfd.	....	68.00
N.B. Pwr. 1st pf.	....	50.00
N.B. Telephone c.	7.50	10.25
N.S. L&P pfd.	50.00	73.00
Ottawa LH&P 6½% pfd.	....	98.25

Recent London Quotations:	
Brewer Distillers	1s. 6d.
Can. & For. Sec.	3s. 9d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	17s. 6d.
Do., 5%	62s. 6d.
Internat. Holdings	$1
Nld. Pr. & Pap. deb. stock "B"	85
Trust & Loan of Can.	2s. 6d.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited, Canada Permanent Bldg., Toronto, Ontario.

May 9, 1932

Provinces:	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
*Alberta	4½	1 Oct., 1958	1 Oct.	78.40	6.15
Alberta	5	1 July, 1943	1 July	89.85	6.25
Alberta	6	1 Apr., 1936	1 Oct.	96.00	7.16
*British Columbia	4½	1 Oct., 1953	1 Oct.	82.00	6.00
*British Columbia	5	15 Jan., 1948	15 July	89.45	6.00
British Columbia	6	15 Aug., 1941	15 Aug.	97.75	6.32
Manitoba	4	1 July, 1947	1 July	75.00	6.60
*Manitoba	5	2 Dec., 1959	2 June	86.00	6.05
Manitoba	5	15 June, 1943	15 June	89.85	6.25
*New Brunswick	4	1 June, 1948	1 June	84.35	5.45
*New Brunswick	4½	15 June, 1936	15 June	97.25	5.45
New Brunswick	6	1 Jan., 1936	1 July	101.40	5.60
*Nova Scotia	4½	15 Nov., 1948	15 May	89.55	5.45
Nova Scotia	5	1 May, 1943	1 May	93.50	5.80
*Nova Scotia	6	1 Nov., 1936	1 May	102.40	5.45
*Ontario	4½	1 Sept., 1944	1 Sept.	93.50	5.80
Ontario	5	15 Oct., 1948	15 Oct.	95.00	5.45
Ontario	6	2 May, 1936	2 May	100.75	5.80
P. E. I.	4	1 Apr., 1939	1 Oct.	88.70	6.00
P. E. I.	4½	1 Oct., 1944	1 Oct.	86.95	6.00
*Quebec	4½	1 May, 1961	1 May	93.00	4.70
Saskatchewan	4½	1 Oct., 1944	1 Oct.	83.05	6.50
Saskatchewan	5	1 Oct., 1950	1 Oct.	84.00	6.50
Saskatchewan	6	1 Feb., 1936	1 Aug.	96.00	7.00
Cities					
*Montreal	5	1 Sep., 1963	1 Sept.	93.25	5.45
*Toronto	4½	1 Jan., 1955	1 July	87.60	5.45
*Vancouver	5	15 Jan., 1970	15 July	88.40	6.10
Winnipeg	5	1 Mar., 1944	1 Sept.	88.40	6.40
*Edmonton	5½	1 Apr., 1947	1 Oct.	85.95	7.00
Calgary	5	1 Jan., 1943	1 July	84.85	7.00
Halifax	6	1 July, 1951	1 July	100.00	6.00
Saint John	5	15 Dec., 1950	15 June	89.05	6.00
Regina	4½	1 July, 1950	1 July	78.45	7.10
Victoria	5	21 July, 1945	21 July	87.88	6.35
Quebec	5	1 June, 1948	1 June	94.60	5.20

*New York payment.

Winnipeg Grain Prices

Week to May 10

Crop Year from Aug. 14 High	Low		Open May 3	High for week	Low for week	Close May 10
		Wheat				
.76	.55⅛	May	.60	.62½	.59½	.62⅛
.77⅞	.60	July	.62	.64	.61½	.63½
.72¾	.62½	Oct.	.64⅛	.66	.63½	.65⅝
		Oats				
.38	.28	May	.34⅝	.34⅝	.33⅞	.34½
.37½	.30½	July	.32⅞	.33⅛	.32¼	.32⅝
.35⅛	.29⅞	Oct.	.30⅞	.30⅝	.29⅞	.30⅛
		Barley				
.47¾	.32½	May	.39½	.40	.38½	.40
.45½	.38	July	.38⅛	.39½	.38	.39⅞
.43¼	.34⅛	Oct.	.35¾	.36⅝	.34⅛	.34⅛
		Flax				
1.21	.79½	May	.81	.86	.79½	.86
1.16½	.80¾	July	.83½	.88½	.80¾	.87½
1.09½	.84½	Oct.	.86	.91¾	.94½	.90¾
		Rye				
.59⅛	.32⅛	May	.40¼	.43⅛	.38¾	.42⅝
.59	.38½	July	.41¼	.43⅞	.38½	.43¼
.55⅞	.41	Oct.	.43⅛	.45	.41	.44½

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week to May 10

High *to date	Low	Wheat	Close May 3	High for week	Low for week	Close May 10
.72	.53⅞	May	.56½	.59	.56½	.57½
.64½	.53¾	July	.58¾	.60½	.55¾	.60
.66¼	.59	Oct.	.60¾	.62½	.61⅛	.62

*Since trading opened March 3, 1931.

Stocks With Minimum Prices

Can. Canners, c.	8
Do., 1st pref.	80
Do., convert. pfd.	9
Nat. Breweries	24
Ogilvie Milling	185
Ottawa L. H. & Pr.	100
Power Corp.	36½
Price Bros.	25
Do., pref.	70
Shawinigan Power	33
Weston's, com.	38
Do., pref.	75
Trust and Loan	
Canada Perman.	175
Central Can. Loan	285
Economic Invest.	32
Huron & Erie	125
Do., 20% paid	23
Landed Banking	135
National Trust	235
Ontario Loan	100
Real Estate Loan	95
Tor. Gen. Trusts	200
Tor. Mortgage	95
Union Trust	90
Banks	
Banque Canadienne	145
Bank of Commerce	171
Dominion Bank	174
Imperial Bank	173
Bank of Montreal	195
Bank of N. S.	254
Royal Bank	191
Bank of Toronto	178

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Aluminium, Ltd., pfd.	$3	75c	June 1	May 1
Bank Can. Nationale	10%	2½%	June 1	May 1
Bank of Montreal	12%	3%	June 1	May 1
Bank of Toronto	12%	3%	June 1	May 1
Brazilian Tr.	...	*2%	June 1	Apr. 30
Borden's, com.	$3	75c	June 1	May 14
Belding Corticelli, pref.	7%	1¾%	June 15	May 31
Canada Vinegars	$1.60	40c	June 1	May 14
Can. Converters	$2	50c	May 16	Apr. 30
Cities Service, com.	30c	2½c	June 1	May 14
Do.	6% stk.	½% stk.	June 1	May 14
Can. Bank of Commerce	12%	3%	June 1	Apr. 30
Can. Hydro Electric 1st pfd.	6%	1½%	June 1	Apr. 30
Canadian Oil	$1	25c	May 14	Apr. 30
Do., pref.	8%	2%	July 1	June 20
Consolidated Sand, pref.	$4	$1	May 16	Apr. 30
Canada Bread pfd. "B"	$2	50c	June 1	May 14
Canadian Car, com.	60c	15c	May 30	May 16
Cosmos Imperial pref.	7%	1¾%	May 15	Apr. 30
Canada Wire & Cable "A"	$4	$1	June 15	May 31
Do., pref.	$6.50	$1.62½	June 15	May 31
Crows Nest Pass Coal	$3	75c	June 1	May 10
Dome Mines	$1	25c+20c	July 20	June 20
Dominion Bridge	$2.50	62½c	May 16	Apr. 30
Eastern Theatres, c.	$2	50c	June 1	Apr. 30
Foreign Power Secs., pfd.	6%	1½%	~~May 16~~	Apr. 30
Foundation Co.	50c	12½c	May 14	Apr. 30
Hollinger Mines	65c	5c	May 19	May 5
Imperial Oil (coupon 33)	50c	12½c	June 1	May 14
Inter. Milling, pref.	7%	1¾%	June 1	May 20
Do., "A" pref.	6%	1½%	June 1	May 20
Kelvinator, pref.	7%	1¾%	May 15	May 5
Laura Secord	$3	75c	June 1	May 16
Langley's, pref.	7%	1¾%	May 16	May 4
Loblaw Grocet. "A"	80c	20c	June 1	May 12
Do., "B"	80c	20c	June 1	May 12
Lindsay, C. W., pref.	6½%	1⅝%	June 1	May 14
McIntyre Mines	$1	50c	June 1	May 2
McColl Frontenac c.	60c	15c	June 15	May 14
London Int. Trustee "A"	...	15½c	May 1	....
N. S. Light & Pr. pfd.	6%	1½%	June 1	May 14
National Biscuit	$2.80	70c	July 15	June 17
Do., pref.	7%	1¾%	May 31	May 13
Ontario Steel pref.	7%	1¾%	May 16	Apr. 30
Power Corp., com.	$2	50c	May 20	Apr. 30
Provincial Bank	9%	2¼%	June 1	May 15
Quebec Power	$1.50	38c	May 16	Apr. 25
Rolland Paper pref.	6%	1½%	June 1	May 14
Royal Bank	12%	3%	June 1	Apr. 30
Simon, H. & Sons, pref.	7%	1¾%	June 1	May 20
Southern Can. Power, com.	$1	25c	May 16	Apr. 30
Standard Paving, pref.	$4	$1	May 16	Apr. 30
Standard Steel "A" pref.	$3	75c	July 1	June 15
Shawinigan W. & Pr.	$1	25c	May 16	Apr. 25

*Stock dividend paid in lieu of cash.

Dividends Passed or Deferred:
C. W. Lindsay, c., June 1, passed. Last paid 25c. Mar. 1, 1932.
E. Kootenay Pr. pref. June 15, deferred. Last paid Mar. 15, 1932.

Dividend Rate Reduced:
Aluminium, Ltd., pref. 75c. June 1. Reduced from $6 to $3 per annum.
Canadian Car, com., 15c. May 30. Reduced from $1 to 60c. per annum.
Consolidated Sand, pref. $1 May 16. Reduced from $7 to $4 per annum.
Foundation Co. of Canada, 12½c. May 14. Reduced from $1 to 50c. per annum.
Quebec Power, 38c. May 16. Reduced from $2 to $1.50 per annum.
Shawinigan W. & Pr. 25c. May 16. Reduced from $2 to $1 per annum.
Standard Paving, pref. $1 May 16. Reduced from $7 to $4 per annum.

Extra Dividends:
Dome Mines, 20c., July 20.

Listed Bond Quotations

Week Ending May 9

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Range, 1932 Low
Abitibi, 1st mtge.	5	1953	...	...	...	...	46	34½
Asbestos	5	1942	...	49	...	...	65½	49
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	16
Do., gen. mtge.	6	1956	...	†13	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	6	6	...	7	6
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.15	†100	...	...	100	97½
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	...	...	...	...	*98½	98
McNish	6	1948	...	†2.00	1.25	...	1.25	...
Mex. L. & Pr.	5	1940	...	...	...	...	*73½	70½
Mont. L.H.&P. debs.	3	1939	...	...	40	...	40½	40
Mont. Tr. 1st mtge.	5	1941	6.32	91	...	...	93¾	91
Mont. Tr. "A"	5	1955	7.56	71½	72½	71⅜	80½	71¼
Mont. Tr. G. & R. "B"	5	1955	6.75	71½	...	...	79¾	78½
Do., "C"	4½	1955	...	...	...	...	*85	84
Do., "D"	5	1955	6.62	71	...	...	81	78
N. S. Steel	5	1959	...	†50	...	...	*62½	59
Ogilvie Flour "A"	6	1932	6.00	100	...	...	100	...
Do., "B"	6	1932	...	100	...	...	‡100⅛	100
Do., "C"	6	1932	6.00	100	...	...	100	...
Ont. Steel	6	1943	5.94	96½	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Can.	6	1940	...	102½	...	...	*107½	106¼
Wayagamack	6	1951	...	†41	...	...	*75	45
Winn. Elec.	5	1935	...	...	...	...	99½	98½
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Can. Canners	6	1950	...	...	80	...	80	...
Steel of Can.	6	1940	5.60	...	...	...	102½	...
Dominion Gov't. Bonds (Montreal)								
War Loan	5	1937	3.52	106.00	....	....	107.00	105.00
Victory Loan	5½	1933	4.98	100.65	100.50	....	101.25	100.25
Do.	5½	1934	5.36	100.10	100.30	100.10	100.85	99.25
Do.	5½	1937	4.38	104.75	....	....	108.15	104.00
Do., refund	4½	1940	5.59	93.25	93.13	....	94.60	91.50
Do., refund	5	1943	5.36	97.00	97.00	....	98.25	96.00
Do., refund	4½	1944	5.38	91.75	92.25	....	92.25	89.50
Do., refund	4½	1946	5.29	91.75	....	....	92.25	91.75
Do., renewal	5½	1932	3.50	100.50	100.50	....	100.60	100.25
Conversion Loan	4½	1956	5.12	89.50	91.25	....	91.25	88.25
Do.	4½	1957	5.33	89.75	....	....	89.50	88.50
Do.	4½	1958	5.07	91.50	91.60	91.50	92.75	89.25
Do.	4½	1959	5.09	91.50	91.35	....	92.25	89.00
Nat. Service Loan	5	1936	5.49	98.15	98.25	98.00	98.50	96.25
Do.	5	1941	5.42	96.75	97.00	....	98.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Active Current Bond Prices

May 9, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	100.	102.	4.10
Dominion of Canada 5½/34	100.	102.	4.65
Dominion of Canada 5/43	96.	98.	5.25
Dominion of Canada 4½/46	91.	93.	5.20
Dominion of Canada 4½/56	89.	91.	5.15
Dominion of Canada 5/36	97.	99.	5.30
Dominion of Canada 5/41	96.	98.	5.25
C. N. R. (Dom. of Can. Guar.) 4½/51	89.	91.	5.25
C. N. R. (Dom. of Can. Guar.) 4¾/55	91.	93.	5.25
C. N. R. (Dom. of Can. Guar.) 5/54	91.	93.	5.35
C. N. R. (Dom. of Can. Guar.) 5/69	94.	96.	5.25
Province of Ontario 5/48	94.	95.	5.55
Province of Ontario 5½/47	99.	101.	5.40
Province of Ontario 6/35	100.	102.	5.55
Province of Ontario (Hydro) 4½/70	87.	89.	5.45
Province of Quebec 4½/56	83.	85.	5.65
City of Montreal 6/41	101.	103.	5.60
Abitibi Power & Paper 5/53	30.	40.	...
Argentine Gov't (Ser. B) 6/58	46.	48.	...
Beauharnois Power 6/59	20.	30.	...
Bell Telephone Co. of Canada 1st, 5/57	97.	100.	5.00
Brazil, U. S. of Ext. S. F. 6½/57	15.	17.	...
British Columbia Power 5/60	70.	76.	6.95
British Columbia Power 5½/60	81.	87.	6.50
British Columbia Telephone 5/60	85.	93.	5.50
Calgary Power 5/60	70.	80.	6.55
Canada Cement 1st Mtge. S. F. 5½/47	65.	75.	8.50
Canada Northern Power Corp. 5/53	70.	78.	6.95
Canada Steamship Lines 6/41	25.	35.	...
C. P. R. Collateral Trust 5/54	75.	80.	...
C. P. R. Secured Notes 4½/44	70.	75.	...
Chile Republic Ext. S. F. 6/60	4.	6.	...
Columbia Republic Ext. S. K. 6/61	14.	16.	...
Davies, Wm. 6/42	77.	82.	8.75
Dominion Canners 6/40	96.	100.	6.00
Dominion Square Corporation 6/48	50.	60.	11.00
Dominion Tar & Chemical 6/49	65.	75.	8.85
Dominion Textile 6/49	97.	102.	5.80
Duke Price Power 1st, 6/66	65.	75.	8.20
Eastern Dairies, Ltd., Conv., 6/49	84.	90.	7.00
Eaton, T. Realty 5/49	78.	85.	6.45
Famous Players 6/48	70.	80.	8.20
Federal Grain 6/49	70.	75.	8.85
Foreign Power Securities Corp. 6/49	55.	65.	11.00
Fraser Companies 6/50	15.	25.	...
Gatineau Power, 1st Mtge. 5/56	68.	74.	7.30
Gatineau Power, S. F. Debs. 6/41	65.	70.	10.00
General Steel Wares 6/52	28.	40.	...
Howard Smith Paper Mills 5½/53	58.	65.	9.25
Harris Abattoir 6/47	85.	90.	7.10
Manitoba Power, 1st S. F. 5½/51	50.	60.	10.25
Maple Leaf Milling 5½/49	60.	65.	9.30
Massey-Harris, 1st Mtge. 5/47	55.	65.	...
MacLaren Quebec Power 5½/61	67.	77.	7.45
Montreal Coke, 1st S. F. 5½/47	85.	95.	6.00
Montreal Island Power 5½/57	85.	90.	6.30
Montreal Light, Heat & Power 5/51	96.	101.	4.90
Montreal Tramways 1st Coll. Trust 5/41	90.	95.	5.70
Montreal Tramways Gen. Ref. 4½/55	65.	75.	6.60
Montreal Tramways 5/55	70.	75.	7.25
Moodie, J. R. 6/48	80.	90.	7.00
Ontario Power Service 5½/50	50.	60.	10.50
Ottawa Valley Power 5½/70	80.	90.	6.20
Power Corporation of Canada 4½/59	50.	70.	7.00
Price Bros. 1st S. F. Ser. "A" 6/43	40.	50.	12.00
Quebec Power 1st Mtge. Coll. S. F. 5/68	80.	85.	6.00
Shawinigan Water & Power 4½/70	65.	75.	6.20
Shawinigan Water & Power 5/70	70.	80.	6.40
Simpsons 6/49	60.	70.	9.25
Southern Canada Power 1st 5/55	85.	92.	5.65
United Securities Coll. Trust 5½/52	75.	85.	6.90
West Kootenay Power 5/56	75.	85.	6.20
Windsor Hotel 6½/43	85.	90.	7.85
Windsor Hotel 6/47	70.	80.	8.35
Winnipeg Electric 5/35	85.	100.	5.00

CANAD. CANNERS OPERATING PROFIT $511,656 IN 1931

After Interest and Write-offs, Deficit $103,136 Before Dividends

BANK LOANS DOWN

Strong Financial Position Maintained in Difficult Year — Prospects Brighten For 1932

Canadian Canners' financial statement for the year ending February 29, 1932, shows an operating profit of $511,565 after tax provision but before bond interest of $209,972, foreign exchange and interest provision of $204,820 and depreciation allowance of $200,000. This compares with operating profits of $1,025,037 for the preceding year.

Profits were $715,189 short of the amount necessary to pay $612,053 in dividends after bond interest, depreciation and all write-offs. Profit and loss balance brought forward from the previous year was $851,382; to this was added an amount of $404,820 transferred to profit and loss from the investment and contingency reserve of $1,796,053, which reserve had been built up in prosperous years against just such a contingency as this, making a total of $1,256,202. This total and operating profit of $511,656 were reduced by the various write-offs mentioned and the dividends payments on first preferred, second preferred and common stock, to $541,013 which was carried forward into profit and loss for the current year.

CONSOLIDATED INCOME & SURPLUS ACCOUNT, YEARS ENDED

	Feb. 29, 1932 $	Feb. 28, 1931 $
Net earnings	511,656	1,025,037
Less: Depreciation	200,000	200,000
Bond interest	209,972	214,272
For exch., int., etc.	204,820	......
Net profit	*103,136	610,765
Less appropriations:		
Dividends on:		
First preference	273,426	273,426
Second preference	280,071	346,000
Common	58,556	120,165
Deficit for year	715,189	128,826
Add: Prev. surplus	851,382	980,208
From invest. & cont. reserve	404,820	......
Bal. carried forward	541,013	851,382

*Deficit.

Use Contingency Fund Further

Severely competitive conditions in the canning industry with prices in important products set by distress sales of poorly financed companies, explain the drop in profits which are nevertheless believed to be better than experienced elsewhere in Canada in the industry. The large item for losses on exchange shows that this company in its foreign operations suffered as severely as all others in foreign trade from exchange fluctuations. Its strong cash position, however, made it able to absorb these losses and still reach the United Kingdom market to an encouraging extent. The discount on the Canadian dollar enabled it also to unload over the high United States tariff an important part of its inventories of tomatoes, corn, peas and beans, which had been selling in Canada at unproductive prices because of the excessive quantities canned by the industry as a whole. This has improved the statistical position of the whole industry as to inventories.

It is understood that shareholders will be asked at the annual meeting on May 18 to approve of $1,200,000 being ear-marked from the investment and contingency reserve for contingencies in 1932 although the management does not expect to need all of this sum.

Working Capital Strong

Working capital is down from $6,909,810 to $6,167,097, but current assets of $8,828,773 were 3.32 times current liabilities of $2,661,677 whereas at the outset of the year current assets of $10,130,042 were 3.14 times current liabilities of $3,220,226.

Working Capital

	1932 $	1931 $
Current assets	8,828,773	10,130,042
Current liabilities	2,661,677	3,220,226
Working capital	6,167,096	6,909,816
Ratio	3.31—1	3.14—1

Bank Loans Down $555,162

Liquid assets were much stronger at the end of the year: cash went up from $7,621 to $170,548; investments went up from $568,227 to $622,716; accounts receivable dropped from $1,069,400 to $615,827; and inventories were down from $8,437,240 to $7,197,862. Advances under the employees' stock plan went up from $47,554 to $221,820. On the liability side accounts payable dropped slightly from $548,877 to $545,490 while bank loans were reduced materially from $2,671,349 to $2,116,187.

Property account advanced from $15,594,357 to $15,670,001 whereas funded debt was lower, Dominion Canners first mortgage bonds being reduced by operation of sinking fund from $1,096,000 to $1,046,800 and 6 per cent general mortgage bonds from $2,438,400 to $2,398,000.

While profit and loss and investment and contingent reserves went down as shown, general and depreciation reserve of $4,611,026 advanced to $4,741,833.

Since the year covered by the financial statement ended, goods have been moving out in satisfactory volume with the result that bank loans have been reduced still further. Inventory valuations are lower than a year ago. It is stated that Canadian Canners packed conservatively during the year of enormous crops but the large pack of the whole industry nevertheless demoralized prices in important lines. The company increased its volume sales though dollar value was lower, and expects export business within the Empire to develop satisfactorily. Already British and New Zealand exports are up.

MANY NEW LINES ADDED BY INDUSTRY

(Continued from page 9)

"8. Linestarters.
"9. Graphic meters.
"10. Indicating meters.
"11. Electric refrigerators.
"12. Nofuze load centres and circuit breakers: a protective device for domestic wiring, which does away with fuses."

Connors Bros Can. Herrings

Connors Bros., Saint John, N.B.: "Directly owing to a change of classification which gave us an increased protection on fresh canned herring, we were able, with the help of our new research laboratory, to place on the market last fall a very fine type of fresh canned herring put up in tomato sauce. This product was exceptionally well received by the consuming public and as there is an enormous quantity of this kind of fish along the Maritime coast, it would seem that the development of a product like this has very large possibilities.

"It does not appear to be right for us to be importing so much of this class of fish when we have such a quantity of herrings of our own awaiting a market. If this product can be developed as we think, it will increase the market for our fishermen very considerably and also increase the number of employees in our canneries. The day of salted herring and the smoked herring seems to be passing, and we believe the evolution of this industry, which was once very great, will be the canned herring.

"We have every confidence in the development of this product, and we are now arranging to install a considerable amount of new machinery which will place our canned herring products on a mass production basis."

Refrigerators and Electric Clocks

Consolidated Industries Products, Toronto: "Norge Corporation of Canada began light manufacture of the Norge electric refrigerator in May, 1931. Beginning with an assembly operation, the efficiency of our plant has been increased steadily until now we make the majority of the Norge right here in our own plant. This includes the manufacture of our own cabinets. It is significant to note that 96 per cent of the Norge is made in Canada.

"We have added to our line the Consolidated electric washer, the Consolidated electric ironer, the Consolidated sunlamp, and the Hammond electric clock. Our washers and ironers are made in our own plant in approximately the some proportions as the refrigerator."

Make Laundry Padding

Cosmos Imperial Mills, Hamilton: "We have begun the manufacture of laundry padding, otherwise known as cotton padding or knitted padding. This fabric is being marketed through the machinery manufacturers and jobbers who sell to the laundry and clothing trade by whom this product is used."

Meehanite Metal and Screens

Dodge Manufacturing Co., Toronto, report that as the result of both the tariff changes and the exchange situation they have introduced a new metal, namely, Meehanite metal, which is a high strength iron in specific grades, accurately controlled in tensile strength, from 25,000 to 50,000 pounds per square inch. The metal is made entirely in their own plant in Toronto. They also have introduced the Dodge Taylor electric vibrator screens and Convey-an-Screens. The Dodge Taylor unit is self-contained; free from any mechanical wearing parts and they guarantee greater screening capacity than formerly possible.

Power Excavators, Mill Machinery

Dominion Engineering Works, Montreal, report the following new lines as a result of the conditions mentioned:

1. Dominion Hoist & Shovel Co. was formed in January, 1931, jointly by Dominion Bridge Co., Dominion Engineering Works, and American Hoist & Derrick Co., of St. Paul, Minn., U.S.A., with a view to the manufacture and sale in Canada of power excavating shovels, locomotive cranes, drag lines, floating dredges and other heavy construction machinery not hitherto made in Canada. The manufacturing for Dominion Hoist & Shovel Co., is done in the shops of Dominion Bridge Co. and Dominion Engineering Works, and a number of such machines were made during 1931.

2. A complete copper rod rolling mill was built by us during 1931 for the Eugene F. Phillips Electrical Works at Brockville, which as far as we are aware is the first complete rolling mill installation made in Canada. We are now in a position, with the assistance of two of the best known builders of ferrous and non-ferrous rolling mill machinery in the United States, to furnish the steel and non-ferrous rolling mill industry with their requirements for rolling mill machinery of the most modern type.

3. We also constructed during 1931 several wire stranding and wire spooling machines for the Eugene F. Phillips Electric Works at Brockville, Ont., which we believe are the first machines of this type built in Canada.

4. We constructed a 500 h.p. Diesel engine direct connected to 450 k.v.a. electric generator which we believe is the first large Diesel engine made in Canada.

5. The tariff and exchange situation has stimulated the demand for the manufacture in Canada of other types of machinery, which the company is in a position to build, resulting in an expansion of some of our existing lines, and orders have been received for other special types of machines which normally would have been imported.

Canvass Horse Collars

The Great West Saddlery Co., Winnipeg: "One new line has been added because of increased tariff and by exchange conditions. This new product can be described as follows: canvass horse collars (cheaper grade). Heretofore this particular item was imported from United States, and because of conditions referred to above, is now manufactured in Canada."

Manure Spreaders

Massey-Harris Co., Toronto: "We have been importing manure spreaders, side delivery rakes and cylinder hay loaders from our Batvia, N.Y., plant, but any further supplies of these lines for Canadian trade will be produced in our plants here. The quantities, however, will be very small for this season. In addition we are planning to manufacture here one-way discs and certain types of tractor disc harrows. We are, also, giving some thought to the manufacture of other lines, such as blower ensilage cutters, transplanters, hammer mills, etc."

Make Knitted Goods Now

Mercury Mills, Limited, Hamilton, Ont.: "We have pleasure in advising you that the undermentioned new products have been manufactured by us since September 30 and this development we attribute mainly to tariff increases:

"1. Knitted cloth and fabric.
"2. Knitted suits and dresses.
"3. Knitted fancy goods.
"4. Surgical stockings.
"5. Corset fabrics.

"Prior to the tariff increase, goods of this class were imported largely from England, France and the United States of America."

Valves and Traps

The James Morrison Brass Mfg. Co., Toronto: "We are pleased to give you a list below of the new lines which we are manufacturing owing partly to the causes mentioned in your letter: Packless radiator valves, radiator traps, drip traps, merkustats, air vents, steam traps, Ther-alti-Meters, hot water thermometers, air eliminators."

La Plante-Choate Line

National Steel Car Corporation, Hamilton: Negotiations have been completed whereby the Corporation will manufacture in Hamilton, for distribution in the Dominion, the products of the La Plant-Choate Mfg. Co., of Iowa, including snowplows, bulldozers, dump wagons, backfillers, trial builders, bull scoops, rollover scrapers, ripping plows, brush cutters, sheep foot tamper, logging and bilfield trailers. Procuring of this industry meant the retaining of employees of National Steel Car, who might otherwise have been laid off, as well as the purchase of materials from other Hamilton firms.

New Fabrics Produced

Paton Manufacturing Co., Liimted, Montreal: This company supply the following list of new fabrics produced as a result of new tariff regulations, with the names of the countries from which these fabrics originally came:

Religious cloths, convent dress fabrics, seminaries and school fabrics.—France and Britain.

Blue serges.—Britain and Continental.

Light weight flannels.—Britain and Italy.

Cotton and worsted suitings.—Continental.

Cheviot serge (Fox).—Britain.

Tuxedo cloths.—Britain and France.

Check backed top coatings.—Britain and Continental.

Worsted overcoatings. — Germany, Holland, Britain, Italy.

Hairline breeches fabric made of cotton and woollen.—Britain.

Road Machinery

Sawyer-Massey, Limited, Hamilton, Ont.: "We have benefited in the last year in the protection afforded Canadian manufacturing by adding to our line of road machinery and general engineering the following items:

"1. Complete gravel crusher units of large capacity used extensively by governments, municipalities and contractors. This type was originally imported, but the complete units are now being produced at the Sawyer-Massey plant.

"2. Bituminous mixers. This machine is designed for the pre-mixing of bituminous material with stone or gravel, permitting the laying of a permanent top at the extremely low cost of $3,000 per mile, a cost not hitherto obtained. This low cost equipment has been made possible by the production in Canada of parts used in its manufacture.

"3. New Sawyer-Massey road ripper used extensively by contractors for construction purposes. This machine was not previously produced in Canada, and we are now able to compete very favorably with the imported article.

"4. We are now producing sanitary type of garbage removal body which is a distinct advance over previous types. This is being produced at our plant, using raw materials made in Canada, at a considerably less price than the imported article.

"5. During the last fifteen months, we have manufactured cranes, foundry equipment and evaporating machinery, the designs of the Whiting Corporation of Harvey, Ill., through the Whiting Corporation of Canada, Limited, Toronto. This company's product is well known to engineers in this country and the Canadian article is now available, built under the direction of the Whiting Corporation engineers by being built at the Sawyer-Massey plant."

Vitrified Clay Conduits

Standard Clay Products, Limited, St. Johns, P.Q.: "We have recently gone into the manufacture of vitrified clay conduits used in laying telephone and electric wires underground. These were previously all imported from the United States."

Would Have Started Anyway

The April number of Industrial Canada contains another long list of companies which have benefitted from the tariff because of business diverted from foreign companies and also names a number of companies whose new products were not necessarily due to tariff increases.

Canada Foundries & Forgings of Brockville, were also completing plans made irrespective of the tariff by starting production of Itsolite aluminum lawn mowers in five sizes, park benches, new design clothes line pulley, a patented clothes line tightener, Dutch ovens and electric iron stand.

Canadian Copper Refiners of Toronto would also have commenced the manufacture of electrolytic copper in ingots, slabs, bars and cakes in the new electric refinery at Montreal East in May, 1931, if there had been no tariff changes.

The Manitoba Bridge & Iron Works of Winnipeg installed a bolt plant for making package bolts since September, 1930, and also began making automatic coal stokers in sizes ranging from 10 to 200 horsepower bodies. Competition in Canada had already shut out the United States imports of this product.

Builds New Gasoline Locomotive

The Canadian Locomotive Co., Kingston, Ont., has designed and built a 30-ton four wheeled gasoline locomotive with mechanical drive, the first of its kind to be built in Canada. It is expected that this will supersede the familiar small saddle tank steam locomotive because there are no heavy stand-by losses with the new locomotive and a licensed operator is not needed. It is expected that it will be useful for all yard and switching purposes and also in lumbering, mining and construction work. Though this locomotive type came formerly from the United States the company would have been making them in any case even if the tariff had not been raised, but the high exchange rate will be of material benefit to the company in meeting import competition. Manufacturing connection had also been established with a number of United States companies as a result of tariff and exchanges but new equipment has not been made as yet as a result.

Imperial Oil would probably also in any case have placed on the market its New Marvelube Motor oils and Three Star gasoline as these were the result of five years of research, experiment, testing and development by Imperial Oil scientists and are controlled entirely by Imperial Oil.

Though not having introduced new products as yet, Canadian National Carbon Co., of Toronto, expects to be making illuminating carbons of all kinds by May 1, 1932. This will include projector carbons to use in motion picture theatres, arc carbons, photographic carbons and welding carbons. They are all new products and company is hoping for tariff protection against imports from Central Europe.

Sarnia Bridge Switches Buying

Sarnia Bridge also states that it will have two new products shortly. Their own purchases have been switched considerably. In 1929 steel purchases were 33 per cent Canadian and 67 per cent imported, in 1930, 52 per cent Canadian and 48 per cent imported, and in 1931 53 per cent Canadian and 47 per cent imported, and in 1932 present purchases are running about 75 or 80 per cent Canadian.

There is a long list of other companies given by Industrial Canada but the foregoing companies are the only ones in which there is understood to be public investment interest through stocks or bonds outstanding.

Week's Canadian Quotations—Continued

Foreign Exchange

	New York Funds High (Premium) %	New York Funds Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
May 4	12	11 5-8	3-64	3-64
May 5	11 5-8	11 9-16	1-16	3-64
May 6	12	11 7-16	9-128	3-64
May 7	12 1-8	12	3-64	3-64
May 9	12 1-4	12	1-16	3-64
May 10	12 7-16	12 1-32	1-16	3-64

STERLING, FRANCS AND LIRE (Close Demand in New York)

	Sterling	Francs	Lire
May 4	3.67 1-8	3.94 5-8	5.15
May 5	3.67	3.94 9-16	5.15
May 6	3.67 1-8	3.94 3-8	5.15
May 7	3.67 1-4	3.94 5-8	5.15 1-2
May 9	3.68 1-4	3.94 9-16	5.15 1-2
May 10	3.67 1-2	3.94 1-2	5.15 1-4

FOREIGN EXCHANGE (Close Demand in Toronto)

Par		Apr. 26	May 3	May 10
5.26	Italian	5.75½	5.77¾	5.79¾
23.80	German	26.56¾	26.65¾	26.78½
13.90	Belgian	15.64	15.67½	15.77
49.48	Japanese	36.64	36.68	37.08

Mining Stock Quotations

Week Ending May 9

Par Val.	Range High	1932 Low	Company	Sales	Close May 2 (or last)	High for week	Low for week	Close May 9
1	.05½	.04	Abana	3,000	.05	.05½	.04½	.04½
1	.02	.00½	Acondat	.....	.00½	.....	.....	.....
No	.15	.15	Aldermac	.....	.15	.....	.....	.....
1	.09	.00¾	Alexandria	35,500	.01	.01½	.00¾	.01½
1	.01½	.00½	Algonquin	.....	.00½	.....	.....	.....
1	.01	.00½	Amity C.	.....	.00½	.....	.....	.....
No	.22	.08	Amulet	300	.08½	.08	.08	.08
1	.00½	.00½	Apex	.....	.00½	.....	.....	.....
1	.02½	.01	Area	2,500	.01½	.01½	.01½	.01½
No	.03	.01½	Arno	36,000	.01½	.01½	.01½	.01½
1	.02½	.02	Astoria Rouyn	.....	.02½	.....	.....	.....
1	.07	.03½	Bagamac	1,000	.04	.03½	.03½	.03½
1	.00½	.00½	Baldwin	.....	.00½	.....	.....	.....
1	.12	.05	Barry Holl. new	11,750	.06½	.06½	.05	.05
No	1.00	.50	Base Metals	.....	.50	.....	.....	.....
No	.12	.03½	Bidgood	70,715	.05	.04½	.03½	.04
1	.16½	.06	Big Missouri	2,500	.06½	.07½	.06½	.07
1	.05½	.02½	Bobjo	3,500	.03	.03½	.03	.03
1	.08	.02½	Brett Trethewey	8,000	.06	.05	.02½	.05
No	.03	.01	Brownlee	5,400	.01½	.01½	.01½	.01½
1	.00½	.00½	Buckingham	.....	.00½	.....	.....	.....
No	.36	.18	Buffalo Can.	35,300	.26	.24	.18	.20
No	.02½	.01	Bunker Hill	1,000	.01	.01½	.01½	.01½
5s	.50	.10	B'Wana McKubwa	.....	.10	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	.....	.01	.....	.....	.....
No	.03	.02	Canam Metals	.....	.02	.....	.....	.....
1	.04	.01½	Can. Kirkland	.....	.02½	.....	.....	.....
1	.09	.01½	Canusa	6,500	.01½	.01½	.01½	.01½
No	.02½	.00½	Capital Rouyn	1,000	.00½	.00½	.00½	.00½
1	.07	.02½	Cartier Malartic	.....	.07	.....	.....	.....
1	.15	.09	Castle Tretheway	3,500	.12	.11	.09	.11
1	.08	.05	Cen. Manitoba	3,500	.05½	.05½	.05	.05
1	.07½	.02	Cen. Patricia	1,500	.04	.02½	.02½	.02½
No	.07½	.02	Chibougamau Pros.	500	.04	.02½	.02½	.02½
No	.02	.01	Clericy	8,000	.01	.01½	.01½	.01½
5	3.00	.70	Coast Copper	270	.85	.85	.70	.75
1	.02	.01	Cobalt Contact	.....	.01	.....	.....	.....
No	.16	.15	Cobue	.....	.15½	.....	.....	.....
1	.08	.03½	Columario	1,000	.04	.03½	.03½	.03½
5	.80	.75	Coniagas	.....	.80	.....	.....	.....
No	.40	.28	Coniaurum	.....	.28	.....	.....	.....
25	75.00	35.00	Cons. Smelters	628	38.00	40.00	37.00	39.50
1	.01½	.01	Crown Reserve	.....	.01	.....	.....	.....
No	12.50	9.00	Dome Mines	6,900	9.70	10.90	9.50	10.75
No	.10	.03	Dom. Explorers	5,600	.04	.04	.03¾	.04
No	.01	.01	Don Rouyn	.....	.01	.....	.....	.....
1	1.55	1.04	Eldorado	15,070	1.13	1.13	1.05	1.10
No	1.05	.55	Falconbridge	1,316	.65	.65	.55	.60
1	.04	.01¾	Federal	8,000	.02	.02	.01¾	.01¾
No	.00½	.00½	Flintoba	.....	.00½	.....	.....	.....
No	.07	.01	Gem. Lake	7,000	.01	.01½	.01½	.01½
1	.02½	.01½	Goldale	.....	.01½	.....	.....	.....
10	.11	.10	Goldfield	.....	.10½	.....	.....	.....
1	.00½	.00½	Gold Hill	.....	.00½	.....	.....	.....
1	.04	.02½	Goodfish	.....	.03	.....	.....	.....
1	.01	.00½	Graham	.....	.00½	.....	.....	.....
1	1.25	.62	Granada	3,150	.65	.67	.62	.65
1	.22	.09	Grozelle	.....	.09	.....	.....	.....
1	.02½	.01	Harker	.....	.01	.....	.....	.....
1	.01½	.00½	Hilltop	30,500	.00½	.00½	.00½	.00½
5	5.70	4.25	Hollinger	10,510	4.60	4.95	4.25	4.80
1	.36	.26	Howey Gold	16,650	.27½	.28½	.26	.28
No	2.78	1.50	Hudson Bay	95	1.55	1.60	1.50	1.60
No	.20	.15	Huronian	.....	.15	.....	.....	.....
No	11.00	5.50	Int. Nickel	11,375	5.75	6.25	5.50	6.00
1	.01¾	.00½	Jackson Manion	4,000	.01	.01	.01	.01
1	.23	.15	Keeley	1,300	.1	.21	.21	.21
1	.02½	.01	Keora Mines	3,000	.01½	.01½	.01½	.01½
1	.70	.40	Kirk. Hud. Bay	2,600	.50	.55	.50	.52
1	.02½	.00¾	Kirk. Hunton	.....	.01	.....	.....	.....
1	.55	.30	Kirkland Lake	8,535	.32	.32	.30	.30
1	.03½	.01	Kirkland Premier	1,000	.01¾	.01	.01	.01
1	.13	.07½	Kirk. Townsite	6,000	.10	.11	.10	.10½
20c	.01½	.00½	Koot. Florence	●1,000	.00½	.00½	.00½	.00½
1	.01½	.00½	La Rose	.....	.01½	.....	.....	.....
1	.41	.14	Lakeland	1,950	.14	.15	.15	.15
1	29.50	25.75	Lake Shore	1,730	26.00	26.60	26.00	26.00
1	.00½	.00½	Laval	.....	.00½	.....	.....	.....
1	.06½	.01½	Lebel Oro	.....	.03	.....	.....	.....
1	.41	.26	Macassa	10,800	.30	.32	.28	.30
1	.07	.02½	Malartic	3,000	.04	.04	.03½	.03½
	.00½	.00½	Malrobic	17,000	.00½	.00½	.00½	.00½
No	.06	.03	Mandy	.....	.03	.....	.....	.....
No	.01½	.00½	Manitoba Basin	.....	.01	.....	.....	.....
5	19.50	14.85	McIntyre	2,340	15.00	15.50	14.85	15.50
1	.35	.25	McKinley	.....	.30	.....	.....	.....
No	.09½	.02½	McLeod River	24,500	.02½	.03	.02½	.03
No	1.43	.60	Mining Corp.	2,235	.74	.72	.70	.72
1	.08½	.01½	Moffatt Hall	13,000	.01½	.01½	.01½	.01½
1	.02½	.02½	Moneta	.....	.02½	.....	.....	.....
1	.45	.29	Moss	14,100	.32½	.34	.29	.34
1	.02½	.01	Murphy	11,000	.01	.01	.01	.01
No	.03	.01	Newbec	.....	.01½	.....	.....	.....
5	1.15	.60	Nipissing	1,100	.62	.70	.60	.65
No	19.80	12.75	Noranda	22,274	14.20	14.80	12.75	14.65
No	.24	.15	Nor. Canada	.....	.15	.....	.....	.....
No	.01	.00½	Old Colony	.....	.00½	.....	.....	.....
1	.08	.05	Osisko	3,500	.05	.05	.05	.05
1	.08	.07	Parkhill	.....	.07	.....	.....	.....
1	.13½	.11	Patricia Dent	.....	.13	.....	.....	.....
1	.02	.01½	Pawnee Kirk	.....	.01½	.....	.....	.....
No	1.15	.50	Pend Oreille	2,750	.65	.52	.50	.50
1	.01½	.00½	Peterson Cobalt	.....	.00½	.....	.....	.....
1	4.10	3.00	Pioneer Gold B.C.	4,600	3.35	3.25	3.00	3.15
1	.05	.04	Pioneer	.....	.04	.....	.....	.....
1	.00½	.00½	Porcupine Crown	.....	.00½	.....	.....	.....
1	.02	.00½	Potter Doal	.....	.00½	.....	.....	.....
1	.63	.32	Premier Gold	11,100	.40	.37	.32	.36
1	.00¾	.00¾	Preston E. Dome	.....	.00¾	.....	.....	.....
No	.30	.15	Prospectors Air's	.....	.21	.....	.....	.....
No	1.00	1.00	Quebec Pros	.....	1.00	.....	.....	.....
No	.06	.03	Quemont	1,300	.04	.03½	.03	.03½
1	.02½	.00½	Ribago	23,000	.01	.01	.00½	.00½
1	.02½	.01	Ritchie	4,000	.01½	.01½	.01½	.01½
1	.01½	.00¾	Robb Montbray	.....	.00¾	.....	.....	.....
No	.42	.25	San Antonio	4,170	.40	.32	.30	.30
1	.09	.09	Seven Troughs	.....	.09	.....	.....	.....
1	.65	.28	Sherritt Gordon	18,482	.34	.32	.28	.30
1	.70	.50	Siscoe	16,420	.58	.58½	.55½	.58
1	.03	.01	South Keora	1,000	.01½	.01	.01	.01
No	.02½	.00½	Stadacona	5,000	.01	.01	.01	.01
1	.17	.06	St. Anthony	500	.07	.06	.06	.06
No	.45	.20	Sudbury Basin	2,700	.20	.25	.20	.25
1	.01½	.00½	Sudbury Contact	.....	.00½	.....	.....	.....
1	.01	.00½	Sudbury Mines	.....	.00½	.....	.....	.....
1	.12	.08	Sullivan	2,500	.08	.08	.08	.08
1	.65	.42	Sylvanite	5,600	.46½	.46	.43	.44
1	.07	.01½	Tashota	1,000	.02	.01½	.01½	.01½
1	5.25	3.10	Teck Hughes	14,787	3.56	3.60	3.35	3.45
1	.03½	.02	Thom Cadillac	500	.02½	.03	.03	.03
1	.40	.15	Towagmac	.....	.15	.....	.....	.....
No	3.00	1.01	Treadwell	.....	1.75	.....	.....	.....
1	.09½	.04	United Kirkland	1,000	.04	.04	.04	.04
1	.01½	.01	Vacuum Gas	.....	.01	.....	.....	.....
No	.53	.22	Ventures	35,850	.28	.27	.23	.26
1	.17½	.04	Vickers	500	.10	.07	.07	.07
1	.45	.26	Vipond	5,150	.27	.27	.26	.26½
No	1.00	.27	Waite Ackerman	200	.30	.28	.28	.28
1	.07	.03	White Lake	1,000	.03	.03	.03	.03
1	.01	.01	Wiltsey Coughlan	2,500	.01	.01	.01	.01
No	3.05	2.20	Wright-Hargreaves	11,340	2.25	2.30	2.23	2.30

OIL STOCKS

Par Val.	Range High	1932 Low	Company	Sales	Close May 2 (or last)	High for week	Low for week	Close May 9
No	.19	.10	Acme Gas & Oil	19,500	.11½	.11½	.10	.11½
1	1.17	.70	Ajax	3,650	.70	.73	.70	.73
1	.12	.05	Alta. Pacific	800	.08	.05	.05	.05
1	.03½	.02	Askalta	.....	.03	.....	.....	.....
No	.10	.04	Associated	500	.04	.05	.04½	.05
No	.04	.01	Baltac	.....	.01	.....	.....	.....
1	.05½	.00½	Benton	.....	.00½	.....	.....	.....
1	.06	.02½	Brit. Dominion	.....	.03½	.....	.....	.....
1	.09	.04	Calmont	.....	.04	.....	.....	.....
No	.38	.16	Calgary & Ed.	20	.16	.20	.20	.20
1	.11	.03	Comm. Pete	200	.04	.05	.05	.05
No	.20	.08	Dalhousie	1,300	.10	.10	.08	.08
No	.01	.01	Devenish	1,000	.01	.01	.01	.01
No	.02	.00½	Dome Oil	.....	.00½	.....	.....	.....
No	.12½	.04	East Crest	100	.06½	.06	.06	.06
No	.01½	.01½	Fabyan Pete	.....	.01½	.....	.....	.....
No	.10	.07	Foothills	.....	.10	.....	.....	.....
No	.03½	.02	Freehold	.....	.02	.....	.....	.....
1	.02	.00½	Great West	.....	.00½	.....	.....	.....
No	.06½	.03	Hargal	.....	.03	.....	.....	.....
No	.05	.02½	High Sarcee	6,000	.02½	.02½	.02½	.02½
No	.47	.15	Home	1,200	.15	.20	.20	.20
No	.05	.01½	Homestead	.....	.01½	.....	.....	.....
1	.50	.20	Homest'd O. & G.	2,300	.25	.20	.20	.20
1	.01	.00½	Illinois Alberta	.....	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	.....	.00½	.....	.....	.....
1	.02	.00½	Madison	.....	.00½	.....	.....	.....
1	.15	.06	Mayland	.....	.06	.....	.....	.....
No	.04	.01½	McD. Segur Ex.	.....	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	.....	.01	.....	.....	.....
1	.50	.19	McLeod	200	.19	.20	.20	.20
No	.10½	.06½	Mercury	17,865	.07½	.07½	.06½	.07½
No	.08	.05	Merland	1,000	.05	.05	.05	.05
No	.15	.08½	Mill City Pete	.....	.08½	.....	.....	.....
1	.20	.13	Model	200	.15	.14	.14	.14
1	.05	.04	Monalta	.....	.05	.....	.....	.....
1	.07	.03	Moose Mountain	.....	.03	.....	.....	.....
1	.01	.01	New Federal	.....	.01	.....	.....	.....
5	.14	.03	Nordon	3,200	.04½	.04	.03	.03½
No	.04½	.02½	Oil Selection	2,000	.03½	.03½	.03½	.03½
No	.05	.02½	Okalta	.....	.03	.....	.....	.....
100	15.00	15.00	Do., Pref.	.....	15.00	.....	.....	.....
No	.20	.10	Olga Gas & Oil	1,250	.13	.13	.10	.10
No	.06½	.02	Penn. Pete	45,000	.02½	.03½	.02	.03½
No	20.00	20.00	Perfection Pete.pfd.	.....	20.00	.....	.....	.....
1	.28	.15	Petrol Oil & Gas	.....	.15	.....	.....	.....
No	.14	.08	Ranchmen's	.....	.09	.....	.....	.....
1	.01	.00½	Regent	.....	.01	.....	.....	.....
No	.02½	.01	Richfield	.....	.01	.....	.....	.....
No	6.65	4.50	Royalite	95	4.50	4.50	4.50	4.50
1	.12	.05	Sarnia Oil	7,000	.07	.10	.07½	.08
1	.03	.01	Signal Hill	.....	.01	.....	.....	.....
1	.20	.16	Spooner	320	.17	.17	.16	.17
No	.11	.06	Sterling Pacific	.....	.07½	.....	.....	.....
1	.11	.07½	Turner Valley	.....	.07½	.....	.....	.....
No	.08	.04	United	.....	.04	.....	.....	.....
1	.09½	.03	Vulcan	.....	.03	.....	.....	.....
No	.02	.00½	Wainwell	.....	.00½	.....	.....	.....

VANCOUVER STOCK EXCHANGE (Transaction for Week to May 4)

Par Val.	Range High	1932 Low	Company	Sales	Close May 2 (or last)	High for week	Low for week	Close May 9
25c	.00½	.00½	Bayview	.....	.00½	.....	.....	.....
20c	.05	.03½	Beaver Silver	3,000	.04	.04	.03½	.03½
25c	.02½	.01	Bluebird	.....	.01½	.....	.....	.....
1	.12½	.06½	Bridge River Cons.	61,900	.09	.09½	.08½	.08½
25c	.01½	.01½	Cork Province	.....	.01½	.....	.....	.....
1	.13	.06	Cotton Belt	.....	.09	.....	.....	.....
1	.45	.15	George Copper	.....	.25	.....	.....	.....
50c	.02	.01½	Geo. Enterprise	.....	.02	.....	.....	.....
1	.04½	.02½	Georgia River	36,300	.03½	.03¾	.03	.03
1	.24	.15	Golconda	500	.15½	.15	.15	.15
50c	.08	.03	Grandview	9,000	.03½	.03½	.03	.03
25c	5.25	5.25	Hecla Mining	.....	5.25	.....	.....	.....
1	.01	.01	Independence	.....	.01	.....	.....	.....
1	.01	.01	Indian Mines	.....	.01	.....	.....	.....
1	.11½	.09	Inter. Coal	.....	.11	.....	.....	.....
1	.21	.21	Jack Waite	.....	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	.....	.00½	.....	.....	.....
1	.19½	.12½	Lorne Gold	35,100	.14½	.14	.12½	.12½
10c	.02	.01	Lucky Jim	.....	.01	.....	.....	.....
5c	.12	.05½	Metaline Metals	.....	.05½	.....	.....	.....
1	.03	.00½	Morton Woolsey	.....	.00½	.....	.....	.....
50c	.03	.01½	National Silver	.....	.01½	.....	.....	.....
50c	.08½	.03	Noble Five	6,500	.03	.03	.03	.03
50c	.01	.00½	Oregon Copper	.....	.00½	.....	.....	.....
1	4.11	3.10	Pioneer Gold	4,015	3.20	3.30	3.10	3.10
50c	.08½	.04	Porter Idaho	.....	.04	.....	.....	.....
No	.01	.00½	Premier Border	.....	.00½	.....	.....	.....
No	.28	.15	Reeves McDonald	400	.15	.15	.15	.15
1	.52	.21½	Reno Gold	10,500	.43½	.46½	.43½	.43½
1	.05	.04	Ruth Hope	.....	.04	.....	.....	.....
1	.03½	.02½	Silverado	.....	.03½	.....	.....	.....
25c	.02	.01½	Silver Crest	.....	.01½	.....	.....	.....
50c	.01½	.00½	Snowflake	5,000	.00½	.00½	.00½	.00½
20c	.02½	.01	Wellington	5,000	.01	.01	.01	.01
1	.04	.01	Whitewater	.....	.01	.....	.....	.....
No	.00¾	.00½	Woodbine	.....	.00½	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Ajax Oil	3c.	....	Noranda	50c.	3.41
Cons. Smelters	$2.50+a	6.32	Premier	12c.	....
Dome Mines	$1+20c.	11.16	Pioneer, B.C.	12c.	3.81
Hollinger	65c.	13.54	Royalite	50c.	....
Howe Sound	$1	....	Siscoe	4c.	....
Lake Shore	$2+50c.	9.61	Sylvanite	4c.	....
McIntyre	$1	6.45	Teck Hughes	60c.	17.39
McLeod Oils	5c.	....	Wright-Har.	10+2½c.	5.43

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Canadian Mining News

NORANDA EARNS 48c PER SHARE FIRST 3 MONTHS

Gold Output about Double in Value to That of Copper

$2 EARNINGS NEAR

Ore Reserves Present Formidable Back Log For Extensive Operations

The quarterly earnings statement for Noranda Mines for the three months ended March 31, 1932, shows an estimated net profit of $1,091,441 equivalent to 48.7 cents per share. This compares with an average quarterly earning in 1931 of $596,000 or 26 cents per share.

The following is the company's statement:

Three Months Ended March 31, 1932	$
Total recovery	3,050,046
Less: Mining, adminis., & gen. exps.	1,519,947
Reserve for taxes	142,000
Net operating earnings	1,388,099
Add: Misc. income	58,801
Total net earnings	1,446,900
Less: Reserves for deprec. (est.)	355.459
Est. net profit	1,091,441
Est. profit per share	$0.487
Production:	
Copper anodes produced, lbs.	14,654,262

A comparison with the quarter immediately preceding is not possible owing to the adjustment in the final figures for the year, making it apparent that the company suffered a loss. For the first nine months of last year earnings were $1.07 per share while for the entire year they were $1.06.

The value of the gold production is not shown in the quarter ended March 31, but it is deduced, having knowledge of the other gold producers in Quebec, that Noranda's output in the quarter was close to $2,000,000. Since the company shows a total of $3,050,046 for metal recovery it becomes apparent that the value of its gold production is about double that of the copper.

Total production costs are shown slightly less in the quarter under review than the average for 1931. The item of tax reserves is given at $142,000 as compared with $660,000 for the whole of 1931 and recalls the statement of nine months earnings in 1931 when taxes were under-estimated and had the effect of materially reducing the apparent earnings in the last quarter, when an adjustment was made. The company's agreement to store 6½ per cent of its copper production is not affecting its copper value since this agreement does not come into effect until June. At that time the company proposes to store 6½ per cent from each month's production, based on the average output in the last six months of 1931.

Copper Storage Not Serious

This storage of copper will not make serious inroads into the company's production marketed inasmuch as only about 2,000,000 pounds of copper would be involved which, at current market prices, would be less than $150,000.

It therefore becomes apparent that if the current production is maintained and the copper is marketed at prices not less than those prevailing today, earnings will be close to $2 a share for 1932, which augurs well for a liberal dividend disbursement occurring the last half of the current year.

Plans are under way for increasing the concentrator from 1,000 to 2,000 tons daily, the addition to be ready early next year. This brings about the question of gold production in 1933, which necessitates a review of the ore reserves position before an estimate can be made.

In the 1931 annual report the indicated ore reserves carried gold valued at $39,890,600 and copper to the extent of 710,532,000 pounds. Details of these ore reserves are as follows:

Estimated Ore Reserves

	Tons	Au.	Cu.	Gold $	Copper lbs.
Direct smelting ore	3,580,000	$3.45	7.10%	12,351,000	508,360,000
Concentrating ore	6,350,000	3.62	1.54	22,987,000	195,580,000
Fluxing ore	1,030,000	4.42	0.32	4,552,600	6,592,000
Totals	10,960,000	$3.64	3.24%	39,890,600	710,532,000

At the annual meeting shareholders were told that developments between the 1975 and the 2475 foot horizons indicated as much gold as had been estimated above the 1975 foot horizon and in addition approximately 55 per cent as much copper. It was also stated that on this lower level drifting indicated an ore area of approximately 175,000 square feet. From this it is deduced that the area between the 1975 foot and the 2475 foot level contained approximately 6,312,500 tons of ore. If it contains gold equivalent to the upper horizon, viz., $39,890,000 this would be equivalent to $6.32 per ton, in addition if it contains 55 per cent as much copper, viz., 390,792,600 pounds, copper averaging 3.1 per cent is indicated. Thus the total ore reserves work out approximately as follows:

	Tons	Au.	Cu.	Gold $	Copper lbs.
Above 1,975 foot level	10,960,000	....	.....	39,890,600	710,532,000
Between 1,975 and 2,475	6,312,500	....	.....	39,890,600	390,792,600
Totals	17,272,500	$4.61	3.18%	79,781,200	1,101,324,600

With the 1,000 ton daily additional concentrator capacity in service in 1933 and assuming that the same grade of ore is treated with cost and metal prices currently existing, profits would be increased close to $2.50 per share while the gold production would be brought up close to $10,000,000 annually.

Thus without any increase in metal prices, Noranda is facing earnings by the end of 1933 that would permit of a dividend close to $2 per share being paid. Without increasing its present indicated ore reserves, it has sufficient ore to operate at capacity for approximately 12 years.

Toric Mines Assets Are Torbit Holdings

At the annual meeting of Toric Mines held in Vancouver, April 28, current assets were shown at $90, while current liabilities totalled $1,985. In addition, there is an outstanding debenture issue totalling $56,300 on which accrued interest amounts to $12,425.

Toric Mines' principal asset is 750,000 shares in Torbit Mining Co., owning an inactive silver property in the Upper Kitsault River area of British Columbia, purchased by the Britannia Mining and Smelting Co., which formed the Torbit Mining Co.

Toric's authorized capitalization is $1,000,000 in $5 par value shares of which 144,190 are outstanding.

Ontario Lignite Tests Conducted in Europe Are Very Encouraging

Fleissner Process Gives Good Results on Woody Lignite

STANDS SHIPPING

Much More Has to Be Done to Determine Best Economic Means of Development and Marketing

Preliminary information indicates that James Bay Basin lignite holds great promise as an economical and satisfactory fuel for Ontario's northland, The Financial Post is informed. The beneficiated product from the 50 tons of lignite sent to Europe last November for commercial tests, has been returned to Toronto and while no official announcement has been made it is known that at least one process of beneficiation gave most encouraging results.

Dr. H. B. Speakman, director of the Ontario Research Foundation, which has charge of testing the lignite, is reticent regarding results until further tests and analyses have been made here. Dr. Speakman is obviously well pleased with the practical commercial tests carried out in Europe, but is cautious regarding waxing enthusiastic until the Research Foundation completes its work and investigates the economic phases confronting the development and marketing of the new fuel.

Dr. C. Tasker, of the Research Foundation staff, who is in direct charge of the tests, recently returned from Europe where he witnessed the various tests made on the fuel last winter and it is expected that probably six weeks will be required to conduct tests on the products returned, following which an official report will be made.

Fleissner Process Encouraging

The beneficiation process, which gave such encouraging results, is known as the "Fleissner" process and is particularly applicable to the woody lignite. Under this process the moisture, ordinarily averaging around 50 per cent when mined, is reduced to less than 20 per cent. The lignite is introduced into a retort or cylinder and subjected to a steam pressure of about 25 atmospheres—around 360 pounds pressure—or a temperature of 435 degrees. After the lignite has been subjected to this pressure for a time and is thoroughly heated through, the retort or cylinder is opened and the moisture in the fuel, which has been converted to steam, escapes, carrying with it certain ash-making matter. The lignite subjected to this treatment, it is claimed, is hardened, making it more desirable for transportation and has its moisture reduced to as low as 10 per cent. The heat units or B.t.u.'s, originally around 5,250, have been increased in the treatment to more than 9,000. Not only has the process demonstrated that it is specially suitable to woody lignite, giving exceedingly desirable results, but it is also an extremely simple low installation cost, having a low operating cost.

Different Methods Tried

The 50 tons shipped last fall for tests to Europe included samples from the different areas, some of which was a woody lignite, others an earthy lignite, some particularly to be tested for briquetting with and without binders. The woody lignite, shipped to Czechoslovakia for tests by the Fleissner process, came from what was formerly known as the No. 1 area, lying between the Onakawana River and the Abitibi River, adjoining Blacksmith Rapids on the T. & N. O. Railway, about 125 miles north of Cochrane.

It was at this site that the earlier exploration activities were conducted. A shaft was sunk and drifting done on the seam of woody lignite which was shown to have a thickness from 15 to 35 ft., while the overburden was shown to be from 40 to 65 ft. It is regarded as fortunate that it is the lignite from this area that showed up so well under the Fleissner tests, since it is at the railway and is most accessible for development. This area has not been completely explored and no estimate has been published of the potential reserves, but they are known to be huge, sufficient at least to keep a 1,000-ton plant in continuous operation for at least a score of years.

Last season the principal work was carried out on what is known as the No. 4 area, about one mile and a half southwest of the Blacksmith Rapids site and west of the Onakawana River. Here a shaft was sunk and drifts totalling about 1,300 ft. were driven to the four points of the compass. At this site there were two seams showing an immense tonnage of lignite with an indicated thickness of over 40 ft., but the overburden was approximately 80 ft. thick.

Dr. W. S. Dyer, of the Ontario Department of Mines, has been in charge of the development operations at the property since 1929 but it is not planned to continue the development work this year as it is felt that sufficient knowledge has been gained of the potentialities of the deposit and that the future work should be directed toward finding out the best methods of utilization.

The Ontario Government has withdrawn from staking approximately 1,600 sq. miles known as the Moose River Basin, extending south from James Bay, between the Missinaibi and Abitibi Rivers, and south to the Pre-Cambrian contact. Early in 1929 the Ontario Legislature voted $25,000 for the preliminary exploration of the property, including drilling which started in June of that year and has been carried on continuously until this year. It is now known that the lignite potentialities of the district are of great magnitude, but the problem confronting the province is not as to source of supply or transportation, but one of beneficiation to serve the greatest market. The object in sending the bulk samples of the lignite to Europe for tests was that facilities were available there to test it in a commercial manner and determine which process was most applicable to the respective grades. Thus, at small cost, the Research Foundation was able to have the benefit of bulk sampling without the necessity of establishing a test plant. The lignite beneficiated by the Fleissner Process appraises the B.t.u. of the fuel as on a par with the Alberta domestic fuel, now imported into Ontario.

Costs to Be Determined

No estimate has been made of the cost of mining and treating the lignite by the Fleissner Process. The costs prevailing in Czechoslovakia are not regarded as applicable to any extent in Ontario, but those familiar with the process believe that a beneficiated fuel can be produced and made to serve in an economical and satisfactory manner that area of Northern Ontario and Quebec served by the T. & N. O. Railway and for considerable distances along the Transcontinental line of the Canadian National Railways.

At the present time the limited amount of Pennsylvania anthracite coal, used for domestic fuel along the T. & N. O., sells from $16.50 to $21 per ton. This fuel analyzes approximately 14,500 B.t.u. per pound. High grade bituminous coal analyzing 13,500 B.t.u. per pound delivered at Georgian Bay ports is currently selling around $4 per ton. Delivered at Sudbury or North Bay the price is around $6 per ton while in Kirkland Lake it is about $8 per ton. With these prices some idea is gained of the competition that must be met with, the beneficiated lignite having a lower thermal efficiency.

Is a Stripping Proposition

No consideration has been given to mining problems incidental to the development, but mining men who are familiar with the stripping operations in the lignite fields of Germany and Czechoslovakia believe that the deposit near Blacksmith Rapids is essentially a stripping operation since the overburden is from 40 to 65 ft. In Germany and Czechoslovakia gantry or overhead cranes are used in stripping operations. This involves a large capital expenditure, but it is believed the work could be done at less cost by employing electric power shovels on the Ontario lignite. At the present time an 8 yd. electric shovel is employed in stripping operations on a lignite deposit in southern Saskatchewan. Having regard for the electric power soon to be made available from the Abitibi canyon development it is thought possible that electric power will be made use of when the deposit at Blacksmith Rapids is developed.

The Ontario Department of Mines, which has had charge of the development work to date and which will doubtless have charge of the future programme, has not formulated any ideas for production,

Canada's Gold Output Increases 13 Per Cent

The gold production in Canada during March established a new all-time record with an output of 255,675 ounces, valued at approximately $5,300,000. This is an advance of 13.2 per cent above the February output and 25.3 per cent above the same month in 1931.

If this rate is maintained it becomes obvious that Canada's gold production in 1932 will be well over the $60,000,000 mark. Canada's production is second only to that of South Africa which likewise showed an advance in gold production equivalent to 5½ per cent over that of 1931.

Site of Ontario's Lignite Deposits

The completion of the T. & N. O. Railway to Moosonee, at tidewater, last year, provides transportation for the development and marketing of the lignite found at Blacksmith Rapids, which showed up so favorably in preliminary tests as being amenable to beneficiation by the Fleissner drying process.

SHERRITT GORDON PLANS SUSPENDING OPERATION IN JUNE

Low Copper Prices Prevent Profit—Cash to Be Conserved

At a meeting of directors of Sherritt-Gordon Mines held May 9, decision was reached to suspend operations in June pending an improvement in copper prices.

The decision does not come as a surprise since it has been increasingly evident that, unless copper prices advanced, Sherritt would have to close down. From an engineering viewpoint the company's mill was a great success, not only was the capacity of the one unit in operation much in excess of that originally planned but costs were lower than estimated.

During the nine months the new mill was in operation last year 14,718,487 pounds of copper was produced from 214,081 tons of ore treated. This is an average recovery of 3.437 per cent or 68.68 pounds of copper per ton. In addition, 39 cents in gold and .587 oz. of silver, per ton, were recovered. The operating cost to produce copper concentrate was $2.62 per ton of ore treated, while the total operating costs to produce a pound of refined copper were 6.27 cents per pound. With write-offs of 1.9 cents per pound the total costs were 8.177 cents as against 5¾ cents per pound for electrolytic copper in New York.

Not Penalized on Contracts

Sherritt has a five-year contract for electric power and a ten-year contract for smelting, with the Hudson Bay Mining & Smelting Co. The Financial Post is informed by Sherritt officials that the suspending of operations will not incur any penalties on account of these contracts and that there will be no charges accumulating.

The cost of closing the property down is said to be very low, probably lower than any mine in the Dominion of like size. It is therefore believed that carrying charges will be at a minimum. The surface plants are in excellent shape and will require but little maintenance while underground there is but little timber to deteriorate. For the present, at least, the mines will be kept free of water.

Some 700 residents of Sheridon, the townsite of the company, will be affected by the close-down.

As at Dec. 31, 1931, the financial statement of the company showed current assets, in excess of liabilities, of $603,362. Since that time it is understood the current assets of the company have increased to close to $750,000.

The following is the statement made by officials of the company regarding its plans:

"Considering the very disorganized situation in the copper market and the fact that there is only a nominal market at less than 6 cents per lb., the directors of the Sherritt Gordon Mines have decided to suspend operations during the month of June for at least 90 days.

"The mine has produced and sold copper at a profit to date but cannot do so under existing conditions.

"The directors are forced to take this action as they cannot afford to jeopardize the company's liquid position.

"As soon as the copper market shows signs of definite improvement operations will be resumed."

Stewart Abate Mines To Do Diamond Drilling

The Stewart-Abate Gold Mines is consummating arrangements for inaugurating a diamond drilling campaign at its property in Beatty township, Ontario.

The company's holdings total approximately 600 acres, about two miles west of the Croesus property, east of Matheson, where mining operations are under way. Previous work included an open cut 110 ft. long and sinking a shaft to a depth of 110 ft. It is now proposed to diamond drill to a depth of 1,000 ft. in an effort to confirm the extension of the vein encountered on the surface. Treasury shares are being offered at 25 cents each to finance operations and officials state that out of the authorized capitalization of $3,000,000 in $1 par value shares 1,700,000 shares remain in the company's treasury. Current liabilities of the company are said to be less than $1,200 and there is no encumbrance on the property.

Great Bear Wireless Moved to Cameron Bay

The government wireless station at Great Bear Lake has been moved again, this time to Cameron Bay, about six miles north of Echo Bay, the site of the principal activities.

Early this year the station at Hunter Bay was moved to Lindsley Bay about half way between Echo Bay and Hunter Bay. Why this site was selected for a wireless station, when Echo Bay was the centre of activities, has not been made clear. The moving of the station farther south is favorably regarded as it is more convenient to the interests in the field.

B.C. Will Bonus Finding of Radium

British Columbia feels that its prospects of finding radium bearing ore are good enough to warrant change in legislation. A few months ago claims were staked up the Pacific coast, but it was found that according to an Act passed in 1914 the government could demand 50 per cent of the output. It, however, offered a bonus of $5,000 for discovery.

Accordingly a bill has been introduced into the legislature reducing the percentage of production taken by the government to 10 per cent and allowing the bonus to remain. Samples of the find have been assayed by the University of British Columbia.

DOME DIVIDENDS ON HIGHER BASIS RESULT OF MEET

Officials Accede to Wishes of Committee on Disbursements

The negotiations for higher dividends for shareholders of Dome Mines were successfully culminated when Frederick Burnett, chairman of the shareholders' committee, visited Jules S. Bache, president of Dome Mines in New York last week, and secured his acquiescence to their wishes.

Inasmuch as Mr. Bache gave a sympathetic hearing to the committee's demand all activity by the committee and requests for shareholders proxies have been abandoned as the committee feels it has accomplished what it set out to do.

The statement that Mr. Bache has approved for release to the press is as follows:

"At a conference between Frederick Burnett, chairman of the recently organized committee of Dome Mines' shareholders, the president of the company and some of the board, it developed that by the more recent action of the board in paying a bonus to shareholders the demands had been adequately met. The expression of the present Dome management that it would be its view that the annual earnings of Dome, as determined by the final figures of the year, should be paid out as return to shareholders, so far as reasonable conservatism would warrant is the opinion of your committee that the work which the committee set out to do has been accomplished."

From this statement it is inferred that in so far as the 1931 earnings are concerned nothing other than the regular dividend of $1 per year and a bonus of 20 cents, to be paid with the next disbursement on July 20, can be expected, but that earnings for the current year will be disbursed in their entirety except for the necessary reserves.

The earnings for 1931, while shown at $1.04 per share, are somewhat ambiguous, inasmuch as the special depletion reserves of $500,000—equivalent to 56 cents per share—were set up for the first time in the 1931 statement. Earnings therefore in 1931 were $1.55 a share after depreciation. The fact that $500,000 for depletion is shown has no bearing on Canadian taxes, since the Federal Government allows 50 per cent of the profits as a return of capital and whether shown in the balance sheet or not this allowance is regularly made. Not so with the case of depreciation. This must be deducted in the financial statement, otherwise it is not allowed concerning taxation.

The statement is interpreted as meaning that Mr. Bache acquiesces in the dividend policy of disbursing all earnings.

Using the first quarter as a basis it becomes apparent that Dome's production during the current year will be close to $3,800,000. With costs equivalent to those in 1931, this would give it a net profit of over $1,800,000 or approximately $1.90 per share.

With earnings close to $2 a share it is anticipated that, after the payment of the bonus with the disbursement on July 20 next, the company will go definitely on a higher dividend basis and pay dividends closely approximating its earnings.

TURNER VALLEY GAS UNDER REGULATION

On May 7 the waste gas flares that illuminate Turner Valley by night were dimmed as the newly appointed conservation board orders went into effect, limiting the maximum gas flow of the entire field to 200,000,000 cubic feet daily.

This conservation order means a severe decline in the crude naphtha output from the field in tune with the restricted gas flow. Some of the smaller producers may be obliged to close down altogether.

The board appointed by the Alberta legislature on April 23, consists of A. A. Carpenter, chairman; John McLeish and Dr. R. C. Wallace. It is now located in its newly established offices in Calgary, assisted by F. T. Fisher, petroleum geologist, maintained in an advisory capacity.

During March, total average deliveries from all companies to the Imperial, Regal, and Bell refineries amounted to approximately 2,191 barrels. Thus there will be a reduction in daily naphtha production in future of 391 barrels daily. This does not take into account, however, the very considerable amount of naphtha produced in March which was not sold to the refineries.

Under the new order, Royalite will have a gas quota of 45,488,000 cubic feet daily, permitting a naphtha yield of 195.9 barrels daily compared with March deliveries of 340 barrels daily. The Home yield will be 68.1 barrels daily compared with 81 barrels daily in March. Mercury will be allowed a yield of about 193.5 barrels daily compared with 213 in March; and East Crest is allotted 107.7 barrels daily compared with actual deliveries of 88 barrels daily in March.

Imperial subsidiaries and contract companies will be permitted a quota of 124,872,000 cubic feet of gas daily, from which 995.9 barrels of naphtha is expected to be obtained, compared with March deliveries of 1,490 barrels daily.

Independent companies have been allotted a quota of 71,545,000 cubic feet daily permitting a naphtha production of 704.7 barrels daily compared with March deliveries of 801 barrels daily.

HOME OIL EARNS $626 DURING 1931 PRODUCTION OFF

Output From Six Wells Totals 63,156 Barrels Crude Oil, Naphtha

Annual report of Home Oil Co., operating in Turner Valley, Alta., showed net profits of $626 for the year ended December 31, 1931, as compared with $226,558 in 1930.

A severe decline in production and lower prices are responsible for the earnings position. The total petroleum production in 1931 was 63,156 barrels as compared with 261,940 barrels in 1930 and as compared with 336,994 barrels in 1929, the peak year. The report attributes the lower production to decreasing rock pressure, preventing a full recovery of crude naphtha by the existing system of extraction.

The following is a comparative income and surplus account for 1931 and 1930:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Oil & gas sales	181,661	946,933
Inventory	1,521	....
Value of prod.	183,182	946,933
Less: Oper. exp. includ. royalties	49,058	164.189
Operating inc.	134,124	782,744
Misc. income	4,708	22,532
Total earnings	138,832	805,276
Less: Adminis. exp.	29,727	43,461
Net earn.	109,105	761,815
Reserves:		
Depletion	8,548	158,983
Develop. exp.	53,924	285,751
Depreciation	46,007	65,023
Income taxes	....	25,500
Net profit	626	226.558
Less: Dividend	....	220.000
Surplus for year	626	6,558
Previous surplus	8,551	24,503
Less: Commis. on sale of shares	....	22,000
Surp. to bal. sheet	9,177	53,061
Shares outstanding	880,000	880,000
Earnings per share	nil	25c
Paid per share	nil	25c

The company took production in 1931 from six of the seven wells drilled on its Turner Valley property. The individual outputs of the wells are as follow: No. 1, 12,436; No. 2, 12,240; No. 3, 17,814; No. 4, 16,038; No. 5, 2,194; and No. 6, 2,434 barrels.

No drilling was done during 1931.

The balance sheet dated December 31, 1931, shows current assets totalling $42,695 including inventories and supplies. Current liabilities total $6,730. In addition there is a deferred liability of $125,504 owing to Imperial Oil for drilling wells Nos. 3, 4, 5 and 6, to be repaid out of production.

Registered shareholders total 9,496 all but 210 of whom are in Canada.

Tailings

Wright-Hargreaves made an all time record with April production, which is valued at slightly over $292,000 exclusive of premiums. Since production averages around 800 tons daily the indicated recovery is better than $12 per ton.

* * *

Aurum Mines, owning a bold prospect in the Yale mining division of British Columbia, near Jessica, has sold its property to unnamed interests who recently acquired the Dawson property. The Aurum shipped 35 tons of ore to the Trail smelter in 1930 averaging $145 per ton in gold.

* * *

April production by Siscoe Gold Mines amounted to $77,018 from 5,027 tons of ore treated, or an average recovery of $15.35 per ton. Mill troubles are stated to have interfered slightly with the month's production.

* * *

A report from Fort William tells of Consolidated Mining & Smelting optioning a group of claims in Satawe Lake area, about 100 miles west of there. The option was given by a syndicate headed by John Scott and H. H. Browne, of Fort William, and called for payment of $35,000 to be made as work proceeds.

* * *

A dispatch from The Pas says the Balfour Gold Syndicate has optioned the Kent group of claims at Beaver Lake, about 14 miles from Flin Flon on the provincial border. A diamond drilling programme is planned to check the vein at depth encountered over a length of 3,000 ft.

* * *

At the annual meeting of Atlin-Ruffner Mines, held in Vancouver recently, it was stated 104,000 tons of silver-lead ore had been proved, the programme for 1932 includes extending the ore bodies from the 4,100 level. The company's holdings consist of 24 claims on Leonard Mountain, Atlin district, British Columbia. It was formerly sponsored by C. V. Bob, of New York, but when he became involved financially Buffalo interests sponsored the further development of the property.

* * *

Advice from Winnipeg states the local mining reporter has issued 70 prospectors' licenses for April. Many of the prospectors were heading for the Eastern Manitoba District in the vicinity of Island Lake.

Committee Ask Airing Woodbine Gold Affairs

Shareholders of Woodbine Gold Mining Co., owning a gold prospect adjoining the Premier mine in the Portland Canal mining division of British Columbia, at a meeting in Vancouver early in May decided to ask the Secretary of State to investigate the affairs of the company.

The text of the resolution passed at the meeting was as follows:

"There is reason on substantial grounds to believe that material information regarding the affairs or management of the Woodbine Gold Mining Co. has been and is being concealed or withheld from shareholders, whose interests entitle them to the disclosure."

H. McGuire, Vancouver, was managing director of the company during 1930.

Wellington Oil To Pay Dividend

Wellington Oil, operating in the Turney Valley, Alberta, has declared its third dividend amounting to three cents per share to shareholders of record May 17. The disbursement will amount to approximately $12,000.

In 1931 the company paid two dividends of 5 cents per share, disbursing about $40,000.

Group After McIntyre

Now that Dome officials have agreed to meet shareholders' wishes to disburse higher dividends, a group of shareholders of McIntyre-Porcupine Mines, headed by T. E. Plewman, of Toronto, is seeking to bring pressure to bear on McIntyre that it too may disburse a higher rate of earnings in dividends.

New Gold Mill At Herb Lake Is About Ready

Herb Lake, Manitoba area, is again to enter the ranks of the gold producers, according to official information from the North British Mining and Milling Co. which expects to inaugurate production by the latter end of this month.

The company purchased and moved the old Bingo Mill to its property known as the Ferro claim, located at mile 81 on the Hudson Bay Railway.

The mill is small—10 tons daily capacity—but suffices to bulk sample the showings and paves the way for larger operations if developments permit. In blasting the site for the mill a new vein 5 ft. in width was disclosed. Eighteen men are reported at work on the property.

Several properties in the area are to be explored this coming season now that the test mill is available for customs sampling of ore.

HOLLINGER FINDING BETTER GRADE ORE AS WORK DEEPENS

Investment Funds Not All from Mining Profits

The recent stock market activity in shares of Hollinger Consolidated Gold mines is said to have been occasioned by the new ore developments at depth.

The new ore has been principally developed on the Nos. 55 and 95 veins where widths from 9 to 11 feet have been encountered giving an average assay of $9.30 per ton. No. 95 vein as reported in the April 30 issue of The Financial Post, has been encountered on the 3,950 ft level.

So far, this vein has been drifted on for over 50 ft. on this level and has shown an average value between $9 and $10 per ton. It was 12 ft. wide where cut and has continued wider than the drift in the work so far completed. This ore body was also found in a crosscut on the 3,350 ft. level and in a diamond drill hole at the 3,500 ft. level. The eight levels between 2,750 and 3,950 ft. are only in the early stages of development but are already showing marked improvement in grade over those above. From 3,350 to 3,950 ft. levels there has so far been developed 234,382 tons with an average grade of $9.30 per ton, whereas the average values from 2,150 to 3,200 ft. is $6.17.

The report of Dr. Graton, who has been studying ore possibilities at depth is not expected until about October next. To date, it is rumored, Dr. Graton has not made any outstanding finds in the way of additional ore.

Investment Losses Typical

The company's losses on investments are said by officials to have been no worse than other investment trusts organized about that time. Its portfolio is known to contain a representative selection of investments in bonds, preferred and common stocks that might be found in the portfolios of similar investment organizations. Hollinger officials say that a large part of the funds invested were profits from its former investments and did not come from mining.

Moneta Porcupine Mines Calls Meeting For May 19

Shareholders of Moneta Porcupine Mines are in receipt of notice calling the annual meeting of the company for May 19 in Toronto.

There has been no activity at the company's property, consisting of 120 acres adjoining the Hollinger mine, for several years, the company pursuing the policy of awaiting the results of adjoining developments.

The company's treasury holds securities valued at $60,000, made up for the most part of dividend paying mining stocks.

Metal Prices

New York—May 10—
Copper: Electrolytic spot, 5⅞ to 5½c. lb.
London—May 10—
(Long Ton)—
Copper: Electrolytic spot, £33 15s; future, £34 15s.
Standard spot, £29 10s; future, £29 12s 6d.
Tin: Spot, £120 15s; future £122 17s 6d.
Lead: Spot, £10 15s; future, £11.
Zinc: Spot, £12 10s; future, £12.
Silver: 17d. per ounce.

TOBURN TO START GOLD PRODUCTION AT OLD PROPERTY

Former Tough-Oakes-Burnside Mill is Being Rehabilitated

Toburn Gold Mines is the latest Kirkland Lake property to announce making arrangements for production. The company's property, formerly known as the Tough-Oakes-Burnside, was the first producer in the Kirkland Lake area, starting production in 1913. From that year to the end of 1928, with the exception of the years 1919, 1920 and 1921 when it was idle, it produced a total of $2,909,460 in gold bullion.

The present company, incorporated early in 1931, acquired the property from the Tough-Oakes-Burnside bondholders under an option agreement. In the annual report of the Premier Gold Mining Co., which owns controlling interest of the Toburn Gold Mines, reference was made to negotiations for revising the original terms of the option, which would permit profitable production being inaugurated. In that report it was estimated that 35,485 tons of ore assaying $14.20 per ton were available west of the north-south dike and extending for about 275 ft. to the easterly boundary of the Sylvanite Gold property. This ore was found on four levels from the 542 ft. horizon to the 893 ft. horizon and was also cut on the 1,018 ft. level. This block of ore is estimated to have a gross value of about $500,000 and is expected to return about $200,000 net.

The rehabilitation of the 100-ton mill on the property is expected to involve approximately $102,000 principally on account of changing over the motors from 60 to 25 cycle.

PIONEER REPORTS RECORD EARNINGS FOR FISCAL YEAR

Preliminary Figures Show Production of 725,000, Earnings 24c Share

Preliminary figures show Pioneer Gold Mines of B. C. had a production valued at $725,000 for the year ended March 31, 1932, as compared with $350,000 in the previous year. Earnings after depreciation but before taxes and depletion were $409,976, equivalent to 24 cents per share on 1,671,750 shares outstanding. This compares with $127,530 or 7 cents per share in the previous year.

March was a record month for the company with a production valued at $93,000, from 3,387 tons of ore treated, an average recovery of $27.50 per ton.

The new mill addition, increasing the capacity from 125 to 300 tons daily, is making good progress and is expected to be ready for operation by mid-summer, instead of autumn as originally planned.

Col. Victor Spencer, president of the company, made the following comments in the annual report:

"We consider the work done during the year has been most satisfactory, as the production has taken care of dividend requirements and paid the extraordinary expenses of the expansion and development of the property and has left the company with an increased cash surplus over last year after the investment of $75,000 in Dominion of Canada bonds."

Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 48.5 for the week ending May 5, as compared with 50.2 for the previous week.

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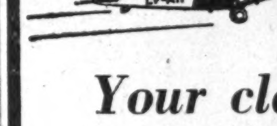

Your claim is for sale
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